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# West Europe Report

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## CONTENTS

## TERRORISM

## ITALY

CGIL's Marianetti Discusses Milan Meeting on Terrorism (Angelo Galantini; RASSEGNA SINDACALE, 23 Jul 81) .....	1
Allegations of BR Infiltration Among Unionists (Vaarious sources, various dates) .....	4
Petrolchimico Official's Remarks, by Piero V. Scorti	
UIL Mattina's Articles, by Enzo Mattina	
Mattina Interview, Enzo Mattina Interview	
Reply to Mattina, Editorial	
CGIL Marianetti's Interview, Agostino Marianetti Interview	

## ENERGY ECONOMICS

## ITALY

Report on Energy Problems of Cement Industry (L'INDUSTRIA ITALIANA DEL CEMENTO NEL 1980, 25 Jun 81) ..	17
---	----

## NETHERLANDS

Anticipated Participation in USSR Natural Gas Deal (Marius van Rijn; ELSEVIERS MAGAZINE, 1 Aug 81) .....	22
---	----

## TURKEY

Briefs	
Domestic Petroleum Production Increase	25
Golcuk Natural Gas Discovery	25

## ECONOMIC

### CYPRUS

Public Spending 'Must Be Cut' (THE CYPRUS WEEKLY, 14-27 Aug 81) .....	26
Upsurge in Tourist Arrivals Reported (CYPRUS MAIL, 13 Aug 81) .....	28

### ITALY

Finance Minister Proposes Remission for Tax Evaders (Tullio Fazzolari, Luisa Lanzara; L'ESPRESSO, 9 Aug 81) ..	29
DC Parliamentary Leader on Public Spending (Piero Bassetti Interview; IL BORGHESE, 26 Jul 81) .....	32

### SPAIN

National Debt, Balance of Payments Deficit Described (ABC, 8 Aug 81) .....	37
Increased Investment Seen as Positive Economic Factor (ABC, 8 Aug 81) .....	39

### TURKEY

Kocatopcu Assesses Private Sector Potential, Role (DUNYA, 22 Jun 81) .....	42
Minister Announces Measures To Promote Tourism (Nursun Alev; TERCUMAN, 19 Jun 81) .....	44
Government Reportedly To Seek Early EEC Membership (Nur Batur; TERCUMAN, 19 Jun 81) .....	46
Body Established To Oversee State Economic Enterprises (Nilgun Tarkan; MILLIYET, 20 Jun 81) .....	48
High Interest Rates Seen as Bane of Economy (Dinc Tayanc; DUNYA, 18 Jun 81) .....	50
Negative Impact of SSK Law Changes Examined (Sukran Ketenci; CUMHURIYET, 25 Jun 81) .....	52
Number 3 Commission Report Surveyed (CUMHURIYET, 22 Jun 81) .....	54



## POLITICAL

### GREECE

#### Briefs

Venizelos' 'Liberal Party' Blasted 55

### ITALY

#### Description of New PCI Factions

(Paolo Nassco; IL SETTIMANALE, 21 Jul 81) ..... 56

#### PSDI's Longo Expresses Pessimism on New Government

(Pietro Longo Interview; L'ESPRESSO, 9 Aug 81) ..... 59

#### PSDI's Longo on Present, Future Political Situation

(Pietro Longo Interview; IL SETTIMANALE, 7 Jul 81) ..... 61

### NETHERLANDS

#### Meaning of Van Agt Resignation Discussed

(Editorial; DE VOLKSKRANT, 25 Aug 81) ..... 67

### SPAIN

#### Key Issues Facing PCE Congress Debated in Party Journal

(NUESTRA BANDERA, Jul 81) ..... 69

Regarding Spanish Democracy, by Eugenio Orlando

PCE: Strong, United, by Jose Cabo

Perspectives of PCE, by Justo Vila Izquierdo

Deficiencies of PCE, by Victor Diaz-Cardiel

Youth of PCE, by Jose M. Angel

Party Professionals, by Francisco Garcia Sanchez

Party or Discussion Group, by Abelardo Gimeno Lara

## MILITARY

### SPAIN

#### Three Military Promotions Announced

(EL PAIS, 21 Aug 81) ..... 81

### SWEDEN

#### New Articulated Track Vehicle Introduced in Armed Forces

(SOLDAT UND TECHNIK, Jul 81) ..... 83

## GENERAL

### CYPRUS

#### Establishment of University, Funds Needed

(THE CYPRUS WEEKLY, 14-27 Aug 81) ..... 84

## CGIL'S MARIANETTI DISCUSSES MILAN MEETING ON TERRORISM

Rome RASSEGNA SINDACALE in Italian 23 Jul 81 pp 3-4

[Article by Angelo Galantini: "Infiltration and Insinuation: Terrorism and the Union, a Conversation with Agostino Marianetti"]

[Text] Why so many polemics after the declarations of Enzo Mattina? We asked Agostino Marianetti, who had just returned from the Milan convention on terrorism.

The "bomb" exploded a week ago. Enzo Mattina, secretary of the UIL [Italian Union of Labor], says that reading the last documents of the BR [Red Brigades] has convinced him that "Sandrucci's accuser is a union militant, a full-time delegate." He adds that "in the argumentation and language of the investigators it is easy to find echoes of the reasoning and expressions of leftist and union culture."

The issue has been on the front page of the newspapers for days now. Meanwhile, a convention on terrorism, which had been scheduled for some time, was being held in Milan. Many of the most authoritative union leaders have their own opinions, from Lama to Carniti, from Marini to Marianetti. There has been no little criticism, and it is accompanied by a substantial consensus. The dispute is growing sharper, particularly on the left, as will happen. Now the UIL secretary has intervened: he has announced that he will ask the CGIL [Italian General Confederation of Labor] and the CISL [Italian Confederation of Labor Unions] to hold an urgent meeting at the secretariat and then at the directorate levels and then to publish a "dossier" supporting the opinions expressed by Mattina.

In this conversation with Agostino Marianetti, who has just returned from the Milan convention, we shall try to focus on some of the many themes that were discussed.

More than one person has told Mattina, "If you know something concrete, you should go tell the judge." But in Milan, Pedroni said in his account that the BR analysis of the Alfa union agreement of 4 March "basically resulted in the suspicion that the authors of these documents are people who have worked for some time in the union leadership structure." Also at the convention, Pizzinato said, among other things, that the terrorists are in the factories: Falck, Alfa Romeo, Breda, Ercole Marelli, Italtel and Policlinico, not as couriers or sympathizers but as organized groups. Nowhere have I read that someone has asked Pedroni and Pizzinato to go running to the judiciary if they know something; and I find it more than fair that no one has done so. Marianetti, what do you think? Is this a detective story that will be solved if there is "proof," or is there something else involved?

The CGIL assistant general secretary said he did not "possess either the information to confirm or to refute Mattina's statement made to terrorism investigator Sandrucci." He continued, "Of course I think that what Mattina has said so forcefully, although somewhat crudely, is not a concern that can be faced with the same yardstick applied to crime. Infiltration is a real issue, and it would be hypocritical and dangerous to draw a veil of silence over it. Some terrorist analyses of specific situations, especially the progress of negotiations, are impressive in the knowledge they reveal of the issues that arise. Sometimes they reveal information that neither the union nor the factory possesses; and here, then, infiltration involves even the most rarefied levels of business management."

But if this is the way things are and they only show that the union is not an idyllic island lost in some distant sea, why is there so much argument? Admitting that in a body made up of more than 8 million workers there may be some cells that have been attacked by the cancer of terrorism, maybe someone thinks that the union is less decisive on the side of democracy because it asks itself how to confront this issue more incisively.

Marianetti emphasizes that "raising the infiltration issue today is an extremely useful duty for dialogue within the union. But not only in the union: no one can think this issue belongs to us more than to the rest of society. Why so many arguments? I think the answer is this: whenever anyone makes a critical or autocritical statement about terrorism, the infernal machine is set in motion to make counteraccusations of conniving and responsibility. And this immediately derails the argument, miring it in polemics, invective and worse. It is a tremendous challenge: unless people show mutual good faith and commitment, we will not get out of this rut. Criticism and self-criticism are sacrosanct; they involve everyone without exception though not all in the same way. As long as we are hurling accusations at each other, we are only playing a game of avoidance."

Marianetti continued, "Do you want an example? I am convinced that it has been a mistake on our part not to combat firmly enough a kind of subculture that has spread within the union, a subculture of extremist, black-or-white slogans, for which all the good is always on one side, one of rough-hewn analyses and, yes, a lot of trivia. Of this, I repeat, I am most convinced. What then? If you say this, you are immediately pounced upon by someone who has jumped to the conclusion that the union is conniving with terrorism or is objectively responsible for it. This is the infernal machine of accusations. Once the questions are put that way, it becomes clear that it is extremely difficult to carry out a thorough discussion of the problems we have before us. I can answer calmly and say that because I am more certain of this than of anything else: that no one in the union has ever planned subversion. But we are making so little headway because everybody is crawling into his shell. I really think that the obstacle to be overcome is moral blackmail. Either we clear the discussion of this floating mine or we dig in our heels and thereby do subversion a big favor."

I then asked Marianetti what he thinks of the new BR strategy, which has set its sights on the factories, and especially terrorism's attempt to take over some of the objectives that have been those of the union movement.

The CGIL assistant general secretary agreed that this shift had taken place but thought it was a matter of tactics and not strategy. "The Milan meeting was very clear on this point: if the BR have stopped acting like crazies and have now taken up some of our themes, it is nonetheless quite true that that fact changes neither their nature nor their objectives, and it is still subversive. As far as we are concerned, it is obvious that the union must insist on its proposals and initiatives, knowing that the only standard that counts and matters is their compatibility with democracy and what the country can realistically expect and provide. On the red flag with the five-pointed star is written 'Everybody work, everybody work less.' But the issue of reducing the work week is a real one in France and in Europe, and it is at the center of political and union debate; Mitterrand even brought it up at the Ottawa summit. Should we give it up because the BR are taking it over and distorting it? Absolutely not. The only thing we ought to do is be consistent. I mean that if we asked for a 28-hour work week now, we would undoubtedly give important ammunition to the terrorist campaign, because such a request would be radically out of step with the country's economic possibilities."

In Milan, you again put forth the idea of the delegates' signing an oath of loyalty to the constitution. What does this initiative mean?

Marianetti answered that "this was discussed greatly and at length in preparing the meeting. We think the declaration may be useful not only to reaffirm its principles and message but also because it can become an instrument of verification, an occasion for enlightenment, which could throw some light on a dark area. We cannot forget the ambiguous positions that have been taken, such as 'neither with the BR nor with the state,' which were marginal ones, of course, but they were present nonetheless. For this reason I do not see the declaration as something superfluous."

What else can be done in the factories?

"I think," Marianetti said, "there is a need for more intense, concrete collaboration between the state and business. State organizations involved in the fight against subversion should find the union to be an important partner; I do not think it is absolutely indispensable to expose oneself personally in order to achieve this. We have the factory councils, and it is proper that this action be taken through them as collective agencies. As for business, it is not a matter of their being harder or softer in negotiating, more antagonistic or protagonistic: we cannot abdicate our duties. That is not the question: we have to convince ourselves that the issue raised by terrorism is of paramount importance. Then it is very obvious that we should take care that the repression of violent people not be used as a weapon against the unions. But it is quite obvious that this is in no way equivalent to opposing initiatives that are seriously and unequivocally aimed at expelling violent or, worse, subversive elements. More generally speaking, let me return to an idea that I have expressed several times: democratic discipline must be restored to the union organization; I mean the formal rules of democracy, that democracy that has been for too long disparaged as bourgeois. We ought not to make room for people who cry 'sell-out' or 'traitor' at those whose only fault is to conceive of it differently. That is not legitimate criticism; and putting up with such attitudes is a sign not of respect for freedom but of permissiveness. Nowhere can there be an area of freedom where that is possible."



## ALLEGATIONS OF BR INFILTRATION AMONG UNIONISTS

## Petrolchimico Official's Remarks

Rome AVANTI in Italian 8 Jul 81 p 4

[Interview by Piero V. Scorti: "An Official: Yes, There Are BR Sympathizers in the Factory"]

[Text] The assassination of Gori was conceived outside the factory, the murder of Paliercio inside.

Venice--Mestre, Piazza Ferretto, 10 a.m., the day after the corpse of the engineer Taliercio, director of Petrolchimico, was found assassinated by the Red Brigades. In the piazza I mingle with workers. There are tens and tens of thousands of persons, perhaps 100,000, waiting for their union leaders, Lama, Benevenuto, Carniti. The heat is torrid, the mood edgy. I talk with various workers and clerks, some from Venice, others from the nearby industrial zones, many from places farther away, Lombardy, for example. Everyone is talking about what happened yesterday: the BR ("Assassins," "They'll pay for it") and Taliercio ("A fine man," "but why him?").

Someone claps me on the shoulder. I turn and face a young man with the air of an intellectual, of someone accustomed to moving casually around the management offices of a big corporation. He says, "Look, I am one of the men in the trenches. I'm an official of Petrolchimico. If you like, we can have a little chat, but on one condition: you must not use my name in your interview."

Yes, I understand. In the trenches, as you say, out of fear... "Sure, but not only out of fear." He tells me his full name and explains his management job at Petrolchimico: he is an important company official, an insider who knows what goes on in the plant. He continues: "It's not only a question of fear but also--and mainly--of a company rule. The organization has decided to avoid taking any stand in this affair, and we are sticking to it."

I agree to his condition. It is a journalist's right to report the news the way events happen and for what they're worth. He is bound to respect the privacy and anonymity of anyone who asks for such a safeguard to protect his security or any other personal matter. The name of my interlocutor, therefore, and his post at Petrolchimico will remain in my notebook unquoted. Politically he calls himself a socialist. Soon we are using the intimate second person "tu" ("We can understand each other better and speak more openly").

Fine, I say. What has been the reaction in the trenches and out of them to this nth BR crime? "I think it would be better," he replies, "to go back to the beginning of last year when the terrorists killed Sergio Gori, another Petrolchimico official. At the time, our reaction was more one of surprise than dismay." You mean?--"I mean," he goes on, "that in a way, it was to be expected. Without knowing why, there was a sense of helpless resignation, a feeling that Marghera, too, must pay a kind of tribute to terrorism. So the shock of Gori's assassination was passed over and the fact itself exorcised in a relatively short time."

And then? "Now we come to September 1980, when another Petrolchimico official was seized, beaten, and photographed by the BR. This made us open our eyes. It led us to believe that the terrorists had devised some kind of precise plan against Petrolchimico, against the plant--a target without a fixed time schedule, as it was with Fiat and Alfa Romero."

Now we come to the kidnapping and murder of Sig. Taliercio, director of Petrolchimico. "To be sure," my interlocutor continues, "the Taliercio affair has reinforced our theory--with an added criminal intent: we have the impression that the homicide was delayed for 46 or 47 days."

Did your organization make any effort to get your man freed? Don't forget that, at least according to what the public has been told, the BR never asked for anything in return for Taliercio's life. What do you think about this?

"The organization," the young official replies, "made more than one attempt to bring the terrorists out into the open. Tell us what you have in mind, we said, let us know, let's negotiate. For our part, we certainly made ourselves initially available."

Initially available with concrete actions? "Certainly. For example, the talks begun with the Factory Council on efficient production (a meeting was slated for yesterday, Monday--editor) and on the question of employment was a clear signal of our availability in the light of what the BR was saying in their communiques. In other words, we tried every means of finding a possible way out."

Let's talk a little about you men "in the trenches," of top company directors and their role, of the crisis of identity, if such a thing exists. "Right. Today in the factory," he says, "the top men were deeply worried, perhaps a little excessively afraid. Before this Taliercio affair, the role of the director was debated in a meeting at the Meneghetti Center of Studies. What came forth was the figure of a man in crisis, deeply in crisis, mostly because he is obliged to implement strategic decisions which other people execute. In fact, the director's crisis, at least here at Petrolchimico, derives from fear and anxiety on one side, on the other, the crisis of identity of his role and the difficulties of recognizing himself in the strategic options, the flight from responsibility. Then, there is a distinct difference, both in the factory and in the public mind, between what a director should be and what he really is."

At this point our conversation turns to the demonstration in the piazza. I say: certainly these things are understandable. In your shoes I should think these people would all grapple with the same problems. But for example, all these people demonstrating against terrorism--"Just a moment," he interrupts. "If you go to Petrolchimico today you will find it deserted. But how many here in the piazza are actually from Petrolchimico? What I'm saying is that even crimes as serious and dramatic as



the kidnapping and murder of Talierico become something like a habit with people. And habit is inevitably a sort of participation in a minor way. In these past few hours I have seen an expression on people's faces that says: Certainly, killing him was too much, but after all, it happens to a lot of people. Let's not forget that after Talierico was kidnapped, many of the buses sent to transport the workers to the demonstration [in his behalf] were empty, as the BR was pleased to point out in one of their communiques." In a situation like that, what do you think is the real problem? "In my opinion, the real problem is to revitalize the category of leaders." In other words, to move on from an issue limited to labor to [a broader] one including culture and industrial relations."

I go on. Your Petrolchimico has lost 2 men, Gori and Talierico, on the terrorist front--two episodes equally tragic but altogether different. From your observations, what differences do you see between the two cases, apart from what everyone already knows about them?

The young man answers: "There is at least one fundamental difference. The assassination of Gori was surely plotted outside the plant. Here you must take into account one factor: three Petrolchimico workers lost their lives when a gas bomb exploded. Gori spoke about this in a television interview that was so badly edited when it went on the air that he came on the screen as somewhat despicable. Or that was the impression you got. At the time, the BR in the Veneto were run by people like Guagliardo and Nadia Puntì. After the three workers died, they decided that the time had come to strike at Petrolchimico, and their victim was ready and waiting for them: Gori."

And the Talierico murder? "In that case," the man explains, "we think it was an idea that matured--how shall I put it?--locally. An anomaly of style in the BR communiques confirmed our theory. I mean, while some communiques seemed to have been written by someone with a certain degree of culture, others, like leaflet number 4, were more crude; what is more, they even referred in detail to things that had occurred in the plant. Again, number 4 leaflet quoted integrally several passages from a communique issued by the Petrolchimico Workers Committee, formerly the Workers Committee. In short, among other evidences, leaflet 4 showed unmistakably that the BR had gained a solid foothold within the factory. And let's not forget that some of the committee members are being accused by the unions of acting like 'water boys.'"

This is a tricky subject we're discussing, BR sympathizers within the company. You can probably cite a few names. If you did, how many times would you hit the nail on the head? "Eight times out of 10," he replies.

But this BR infiltration could not have happened by chance. "Certainly not," he says. "Not only the infiltration but also a kind of apathy, a kind of inurement to such things stem from the attitude of the PCI, which has been standing at the window now for some time." Would you please explain that more clearly? "Let us say that because of certain political ploys, union vigilance has failed. We must admit, however, that the PCI is now trying to make up..."

A moment ago you were talking about Petrochimico as a target of terrorism. What do you think are the reasons for this?

Reply: "For one thing, Montedison's new strategy of aiming for more elasticity and a greater penetration of the market--an industrial vision of its problem (no longer

seen as an object of charity); for another, a greater effort by some unions and political parties to bring questions of productivity and efficiency before the workers so that they will discuss them. And then locally, the PCI's disengagement, beginning with the labor troubles of September 1980. All these things could sway the thinking of terrorist groups, which see armed revolution as the end of the capitalist society."

#### UIL Mattina's Articles

Rome AVANTI in Italian 17, 22 Jul 81

[Articles by Enzo Mattina]

[17 Jul 81, pp 1, 13]

[Text] Unions Ponder BR Documents

The interrogation of the engineer Sandrucci, apart from the humanitarian aspects it revealed when it was published, gives us ample food for serious study because it can help us to formulate an identikit of terrorists--at any rate, of those who kidnapped the director of Alfa Romeo--and arrive at a more accurate analysis of terroristic activities in places of work.

Examining the language of the questioners and observing how well they know the inside facts of corporation life, which they clearly show in their arguments, we can deduce that they have been, and still are, intimately familiar with union activities.

Without timidity or hesitation, we must acknowledge that terrorism not only exists in the factories but also in related areas, among delegates, activists and union functionaries, whether they are in active service or not.

I realize that this statement exposes all unionists, myself included, to the danger of ending up in the prisoner's dock. But it is a risk we must take if we no longer want to go on talking about terrorists as if they were mysterious, elusive demons who belong to a remote world, estranged from ours.

To these initial deductions drawn from an examination of the Sandrucci interrogation, we can add a few others, the better to understand the terrorist phenomenon.

In the interrogators' arguments and turns of phrases, we readily detect a similarity with the postulates and stylistic expressions typical of leftist culture and unionism.

But did we of the left and the union world not emphasize the superiority of "mass democracy" over representative, so-called bourgeois democracy?

At one period at least did we not decry science and technology as essentially inimical to the workers' movement? And didn't our rank and file dramatize the use of CIG as a method of protection that the unions wanted? And isn't the productivity-exploitation, efficiency-dismissal equation the patrimony of unionism and the left?

Whether we like it or not, in the transcript of the Sandrucci interrogation, we find remnants of our past thinking, of a die-hard ideology dating back not to the distant past but to more recent times, on occasion to today. We even find attacks on the unions' inclination toward class integration, which will surely be defeated by class opposition, perhaps armed.

Obviously, terrorism does not derive mechanically from the verbal affinity between the left's cultural heritage and the clandestine groups' style of expressing themselves. Nevertheless, this affinity persists, as my colleague Gianni De Micheli has made clear--perhaps brutally, but not without reason--and it cannot be ignored or shrugged off as innocuous.

Apart from police remedial action, the mass struggle against terrorism must focus on a definitive, even formal, end to the wrongful, but real, affinity between the armed party's philosophy and the philosophy of the left.

By that I do not mean that the left and unionism must sugarcoat their analyses, proposals, and passwords to prevent anyone from exploiting them and going to extremes. The processes of economic and technological transformations must pass, by necessity, from one purely antagonistic attitude--leading back to a blind will to dominate capital and its multiple services--to a dominating role striving to know, control, and condition every event affecting places of work and society in its totality.

Thus, unionism and the workers' movement seek to take over more power and greater responsibilities, apart from ownership of production means and trade.

It cannot be said that this prospect is altogether beyond the experience of Italian unionism; the agreements reached with Alfa Romeo, Zanussi, Fiat, and many other organizations are moving in this direction. All the same, there is widespread fear that this direction will be extended, and its philosophy rendered more explicit (although it is certainly not extreme) and that the whole initiative of the conflict will be recast along these lines.

To be sure, such cultural and strategic changes effected by the left and the unions cannot by themselves overcome terrorism; to the contrary, in the last analysis, they could provide fertile terrain for the most intransigent extremism, even to the extent of armed clashes, if reformism fails to inspire credibility and provide due assurances.

The problem is purely political. It invests the government parties, which must guarantee morality above everything else, and then prove that they can recognize the will for change, satisfy the demand for the end of material poverty and political ineptitude, manage the nation's affairs with efficiency, assure the protection of public and collective interests against private, special, and corporative interests. The problem also invests the opposition parties, which must know how to manage their actions, confront problems for what they are, and propose modern solutions without renunciations or concessions, but also without closing their minds to what lies beyond their preconceived notions. If such a mentality succeeds in winning a few votes, it also disseminates disorientation and confusion, as happens when an appraisal of the nation's economic situation varies according to the different positions taken by the different political parties.

In conclusion, I think I can say that the terrorism existing in the factories and work world, apart from the disciples it recruits, arises from the conflict between an exasperated ideology and the unreliable reformism still practised in Italy today.

Perhaps setting aside the one and valorizing the other in its noblest content, we can hope to overcome an evil that has plagued our society for too many years and threatens the very stability of our democracy by legitimizing the demand for a strong, repressive state in the minds of the majority.

[22 Jul 81, pp 1, 4]

[Text] The Political Conspiracy of Silence on the BR Is as Dangerous as the Penal Conspiracy

It was in the nature of things that after my attempt to isolate an area of possible terrorist hideouts somewhat smaller than the territory occupied by 56 million Italians or by 30 thousand Alfa Romeo workers and union cadres, someone should come forth and ask me to name suspicious and definitely guilty persons. It was likewise inevitable that, wishing to offer a few cues to help uncover the origin of a phenomenon which could gravely compromise Italy's civil life, no sooner had I published a generic analysis than I would be exposed to a firing line in the form of crude, gratuitous accusations.

At this point, it makes no sense to follow up the controversy; what counts is to continue talking, to study the question in depth, and to translate into social terms the scraps of information as they emerge, making it possible to diagnose an obscure evil. Is it obscure because of its intrinsic traits, because some authorities are reluctant to examine it thoroughly, or because others are indifferent to it? Whatever the explanation, the end result makes it all the more incurable.

This I do not want, nor does the great majority of workers and Italians in general. Therefore, rereading the BR's interrogation of Sandrucci, I wish to state clearly that it suggests no names of likely culprits, but gives me--as it gave the comrades of FLM in Milan and the Lombardy CGIL secretary Pizzinato--a few hints on the person who masks himself under the guise of a BR public accuser.

He is someone who talks unionese, who knows how the March agreement on the introduction of production groups was arrived at, and knows exactly what its content and goals are.

Given these facts, it is absurd to expect someone to come forth to say that the mysterious warder and accuser could be one of many Alfa workers, and confirm my contention that the language and inside knowledge are the mark of someone who has engaged in union activities, and still does. Such a confession would be difficult to make; yet we can feel assured in knowing that a certain kind of language and inside information are the patrimony of Alfa Romeo's dependents. There is no doubt that the evidences given by the unidentified accuser's reasoning and his knowledge of what the unionists and delegates discussed at the Milan meeting on terrorism are very tenuous. Yet, there is something more than a suggestion that terrorism exists in the factories, and the evidences point out a direction to the authorities charged with investigating terrorism and combatting it. The unions, and with them, the left, must not be content with this small contribution to the war on terrorism.



Instead, they must understand how and why a phenomenon demoralizing their organizations could have come into being; only if they understand its origin can they arm themselves to wipe it out.

This is the most difficult and contrivertial part of the investigation because it can easily be obstructed by every kind of hindering device.

In any event, we cannot escape the danger if we want to avoid the risk of retrenching into a sort of political conspiracy of silence no less perilous and reprehensible than the penal conspiracy of silence.

It is my conviction that terrorism grows out of the impact that comes with excessive ideology and insufficient reformism, characteristic of the politicians who have wielded the power in Italy since fascism, who have arrogantly persisted in concealing revenues and disseminating clientelism.

IL POPOLO and other publications and commentators are mistaking fireflies for lanterns when they pretend to read into my attitude a sort of rediscovery of values in government that the union movement has always fought--and with good reason--while undeniably bringing advances to the nation through their democratic struggles.

Here it should be added that unsatisfactory reformism is also a consequence of the delays and contradictions with which the left, especially the PCI, has revalued it after years of sufficiency and downright hostility, with the result that even the most tentative efforts at reform have been nipped in the bud.

As for the excesses of ideology: rather than list them at length, we can say without fear of rebuttal that whole generations of union and political militants have been trained to believe that the victories won by labor in most of the European nations (the vituperated social democracies) in the socioeconomic sphere and in power represented political and cultural concessions, while in Italy the smallest union gain was considered another step toward socialism. Blending these superficial ideological ingredients with a handful of integralism, we can truthfully say that this has produced what some consider the unions' present strategy--a web of aims and responsibilities--to be: class collaboration, to be strenuously opposed.

The Alfa terrorists are not people who have appropriated the language of others, nor can they be compared with their Neapolitan brethren, who have supported elementary social objectives, such as housing and wages. Instead, they are repropounding old theories which maintain that "the general problem concerning working conditions can only be resolved by socialism."

The phrase between quotation marks, repeated verbatim from the Sandrucci interrogation, helps us to understand how, as a consequence of an extremist interpretation, some individual or marginal group has arrived at the conclusion that union negotiations, specifically in the Alfa Romeo and other similar situations, can be viewed as a deviation from socialist goals. At this point intervenes the deviation, according to which revolutionary arms and "organisms of the masses are the instruments which the revolutionary movement must take on to build the power of the proletariat."

The deviation is surely arbitrary, yet insofar as it stems from the degeneration of part of the leftist culture, it poses the problem of a revised language, of analysis, and of a feeling ever more rooted in the workers' attitude: that the primacy in the democratic struggle for change, even in a sticky situation like Italy's, tends to discount every innovative element.

I do not believe that this statement throws a shadow of suspicion on the vicissitudes of the last decade or means to confine unionism to a renunciatory waiting. In reality, it seeks to unburden its efforts, especially today's and tomorrow's, of extremism, stuffed with badly prepared and badly digested ideological sauces, which we have brought to light and condemned on many occasions.

Undeniably, rigorous reform and an attenuation of ideology will not alone solve the problem of violence and terrorism, but the fact remains that they cannot prevent them from spreading.

A commitment in this respect is vital to the unions and to the left. Fundamentally, the conservatives and reactionaries, who still exist in Italy, are prepared to combat terrorism by their own means, based on curbing freedom and democracy, to the damage of everyone, first of all, the workers.

Yesterday, like today, every time these palliatives crop up, even slightly, I detect profound fears because I see them in terms of authoritarianism.

In this logic, I maintain that we have arrived at a stage where no effort to understand and oppose terrorism should be rejected. Only irresponsibility and bad faith can make us believe that those, like me, who want to contribute however we can to this tremendously difficult mission can do so through the exhilaration of a little publicity.

#### Mattina Interview

Milan IL GIORNO NUOVO in Italian 19 Jul 81 p 4

[Interview with Enzo Mattina by Filippo Pepe, "Mattina Insists on BR Infiltration in the Factories; 'Those Terrible Words of Taliercio'"]

[Text] At Taliercio's funeral, his widow told union leaders, "You invented the slogan 'Montedison is equivalent to death'"--Sandrucci's interrogator is being sought among 400-500 union members.

Rome, 18 July--[Question] Several days ago, De Michelis accused the PCI and the unions of playing a double game with the BR in the factories. You, Mattina, wrote in the socialist daily AVANTI that the BR have not only infiltrated the ranks of the workers but even of the union leaders. So you agree with De Michelis?

[Answer] I believe De Michelis meant to say that certain union extremists, certain excesses of ideology, can instill in some people--and it does--the notion that extremist action can be legitimate. Therefore, yes, I do share his view. A reading of the Sandrucci interrogation will show someone who eloquently exemplifies this theory. In fact, in that interrogation we find an analysis typical of unionism, brought to its ultimate consequence and exploited by the BR as motivation for their actions.



[Question] And the communist party promptly attacked you on this score. Pecchioli, PCI shadow minister of the interior, said that he agrees with your diagnosis but not with the remedy you suggest. In fact, he has warned you to "watch out what you say and how you behave." And UNITA, in its political retort, recalls your tolerance of the autonomists.

[Answer] I have never been tolerant of the autonomists. I have other convictions. I maintain that no one can call every protest made against the unions a crime. Since UNITA cited precise episodes, those that occurred in 1977, I must frankly admit that in 1977, I was worried for fear that the autonomists might be drawn to the most arrogant nucleus, which in time turned out to be the armed party, and wanted to avoid this. The way to do it was to talk with many young people who, at a time of distrust and crisis in their rapports with the unions, might find their only response in violence and armed warfare. At the time, I did not share the PCI's position, and I still do not. Today the communists agree with me when I say that the BR have moved into the factories. What is more, the communists angrily claim that they said the same thing first.

[Question] Amendola said and wrote it 2 years ago, and everyone, including the unions, answered that he was all wrong.

[Answer] I have never contested him. The factory is part of our society; if the BR are present in our society, then you will find them in the plants, too. What is new today--and the communists should ponder this more--is that the Sandrucci interrogation gives us a chance to understand better where the nucleus of the armed party is localized in the factories. It is no longer an abstract presence. In the Sandrucci interrogation we see that not all Alfa's 30,000 workers are suspect, therefore we must look for the guilty ones among those who are, or have been, engaged in union activities. One should not generalize, but we must investigate some 400-500 persons. Where the communists disagree--

[Question] In your remedy, that is.

[Answer] Not only in my remedy but also in my effort to understand the origin of this phenomenon and to circumvent both possible types of "omerta," the conspiracy of silence. The first type is the classical one: a person has seen someone commit a crime, but he does not report it. The second is a political conspiracy of silence.

[Question] What do you mean by a political conspiracy of silence?

[Answer] Because someone is afraid of being forced somehow to take responsibility for his own actions, he fails to disclose a given misdeed. I am sure that in Italy both social and political groups are hiding skeletons in the closet. If we want to root out a phenomenon like terrorism, silence is an obstacle. We must have the courage to open all the closets; if we find skeletons there, we must pull them out--all of them.

[Question] You speak about conspiracies of silence. Yet CISL secretary Carniti has attacked you, saying that if you have possible evidence, you should turn it over to the magistracy.

[Answer] I know Carniti well, and I respect him, therefore I will not make any derogatory statement about him. Apparently Carniti has not read what I wrote. I only analyzed a document in order to understand a phenomenon. Whoever interrogated Sandrucci is not some clandestine person, he is a man who mingles with us in our ambience.

[Question] Aren't you afraid of the BR's reaction to your attacks, Mattina?

[Answer] According to some of my friends and colleagues, it seems that I wrote the AVANTI article only for the sake of getting myself newspaper publicity. Perhaps their brains have been affected by the sun. When someone takes a step of this kind, he knows what risks he is running. I mean, this sort of publicity is extremely dangerous. I took that step all the same because I felt it was my duty as a citizen. What really frightens me is not the BR but the attitude of self importance so many unionists assume when they talk about this problem. They are always available for big mass demonstrations, but they cannot spare a moment to think about what Taliericio's wife told Benvenuto, Lama, and Carniti at her husband's funeral. She said, "I know that you were not the assassins or the instigators of his murder, but it was you unionists who spread slogans like 'Montedison is the equivalent of death.' Therefore my husband, the director of Montedison, was an instrument of death. I still hear those terrible words in my mind. You have given me no peace."

#### Reply To Mattina

Rome L'UNITA in Italian 18 Jul 81 p 1

[Editorial: "A Few Questions for Enzo Mattina"]

[Text] The past several years have seen a number of disputes with Enzo Mattina, socialist secretary of UIL, concerning what attitude should be taken on terrorism and its legal and semilegal ramifications. We firmly disagree with his analysis of the phenomenon and the way he is promoting it. We were not convinced by some of his "cultural openings" and his excessive tolerance of the "autonomists" and their fellow travelers. What worried us was his inference that, while the PCI appeared to shift its position to the left, it was in fact exploiting subversion politically--a dangerous ploy against democratic unity and a red herring for part of the workers' movement.

Now we see that Mattina has changed his tune and denounced the infiltration of terrorism in the factories and the unions themselves. This cheers us, and allows us to state a few quiet observations. First, we do not understand the clamor raised in some sectors of the press over someone's declaration that a few union activists have teamed up with the terrorists. Nothing could be more likely. But why should it be surprising? One only need examine the vital statistics not of unknown terrorists but of those in prison to know that no social class can be immune. Their ranks include offspring of the high, middle, and low bourgeoisie, intellectuals, and semiliterates, scions of Christian Democratic families, sons of Marxists, Catholics, and atheists. Still, it is a striking fact that while workers do indeed figure among them, they represent only a minority.

Why, then, put so much store in Mattina? He cannot have broadcast his startling announcement only to air his feeble supposition that terrorism is functioning within

a social sector that numbers 7 or 8 million persons. This leads us to believe that he wanted to say something more precise. And since we believe that we should pay heed to what the UIL national secretary has to say, automatically the question comes to mind: do you know something? Do you have suspicions based on fact? If so, then you should not stop at writing newspaper articles. Go ahead and make your denunciation. Carry self criticism to its logical conclusion and do as we do, as the unionist friends of Guido Rossa do.

Also dubious is Mattina's contention that the unions must take up a different strategic stand (switching from "pure antagonism" to "protagonism") to stem the peril of a continuing dialogue between terrorism and the left. What does he mean exactly? He must be clearer on this point, too. What is the current union line that the terrorists can exploit or, worse yet, that feeds terrorism? Tell us. Is it the demagogic slogan "if you work less, everybody works"? Is it that the unions should queue up behind all the corporative aggressions, even the most savage? Reject the social pact? or the fight against job dismissals and unemployment benefits, which constitute its antechamber mechanism? If you are unclear, the consequences will be evident: making room for the most disgraceful mystifications, with the class struggle as the antechamber of terrorism. Mattina should read today's issue of IL POPOLO.

Fortunately, in his argument, Mattina wisely reasons that by renouncing their proper job, the unions could open up new terrain for a subversive manipulation of social tensions. Right. Then the unions should lead the war on injustice, immorality, and the class structures propped up by the dominating rich. Build a wall against the subversive front, educate, mobilize, set an example. But never turn your back on the workers' needs or ignore their views, respect democratically their orientations, guarantee that you are with them, but not risking anything on their skins. Then if there is a terrorist delegate somewhere, he will be able to inflict only limited harm and, in the end, he will be crushed in one way or another.

#### CGIL Marianetti's Interview

Milan IL GIORNO in Italian 18 Jul 81 p 6

[Interview with Agostino Marianetti, CGIL functionary, by Achille Lega: "No Free Zone for the Terrorists"]

[Text] In Milan yesterday, a first analysis in the Unitarian Federation--"The debate must not degenerate into an exchange of accusations"--"The subculture of easy slogans has not been adequately countered"--"We must collaborate with the state and corporations against subversion"

Milan, 18 July--A debate has broken out on the terrorists' infiltration into the unions. Enzo Mattina, UIL confederal secretary and ex-secretary of the metal workers' union, cast the first stone. He wrote in AVANTI that after examining the transcript of the so-called Sandrucci interrogation, he came to the conclusion that the accuser of Renzo Sandrucci, director of Alfa Romeo kidnapped by the BR, is a "union militant, a delegate, a full-time cadre, an operator who attends meetings, who cooperates in preparing analyses and proposals, takes part in conventions and negotiations"--a statement certain to provoke a good deal of lively discussion. This occurred yesterday--demonstrating the strong vitality of the unions--at the meeting during which

the CGIL-CISL-UIL national and Lombard federations, the FLM, and the FULE courageously confronted the burning question of terrorism in the factories.

Present at the meeting, held in the big hall on Via Corridoni, jammed with militants, union leaders, and workers were Agostino Marianetti, of the CGIL, Franco Marini, of CISL, and Walter Galbusera, of UIL. We put a few questions on the "Mattina stone" to Marianetti, CGIL deputy secretary general.

[Question] Marianetti, what effect have Mattina's statements had?

[Answer] Infiltration is a current problem the unions are facing. Its hard to escape the impression that some of the terrorists' analyses on specific situations, especially on on-going negotiations, are based only on figments of the imagination rather than factual information.

[Question] What can you tell me about it?

[Answer] For example, you find information which is sometimes not even revealed to the unions. This means that the infiltration penetrates into the most restricted areas of corporation management. Just as some information they have concerns the unions.

[Question] What about Mattina's specific declaration on Sandrucci's accuser?

[Answer] I have nothing to confirm his comments on that terrorist inquisitor. Or to deny Mattina's interpretation of them.

[Question] What do you think about statements of this kind?

[Answer] I believe that raising the question of infiltration is an obligation that usefully serves the debate in the unions and outside them. This question has been amply discussed at the meeting. Of course, we must go beyond hashing over errors and accusing each other of connivance and responsibility for terrorism.

[Question] These things can happen, and they do.

[Answer] Yes, but exchanges of accusations become a degeneration when they result in a self-critical reflection on these errors, whoever may be the protagonist of the reflection. Exchanging barbs is useful only to the traitors.

[Question] How can this danger be overcome?

[Answer] I might say that it has been a mistake to take no action against this kind of subculture in general and within the unions--a subculture of manicheism, slogans, banal language. If I should say this, however, I could not expect you to answer that the unions are guilty of connivance or of promoting terrorism. In no way have the unions aimed to cultivate subversion. I repeat, we must eliminate moral blackmail from the discussion.

[Question] People are saying that the terrorists are trying to take over strictly union affairs.

[Answer] Terrorism is not only taking over such things as unemployment benefits and mobility but also other matters and developments of different origins. Like the BR slogan, "If everyone works, everyone works less," which is not paleomarxism or paleoleninism; indeed, the same idea is under serious consideration in other countries like France and Germany, I mean the idea of reducing work hours. For the unions, the problem is not to renounce objectives because the terrorists attempt to promote them, even in a distorted way. The important thing is that these objectives should not be incompatible with democracy and with what the national collective can expect.

[Question] What should be done in the factories, then?

[Answer] Values must be restored to democratic discipline in the unions to avoid a permissiveness that passes itself off as criticism and smacks too easily of "selling out" or "betrayal." There can be no free zones.

[Question] In particular for the infiltrators?

[Answer] We must collaborate with the state organs studying the legal aspects, but we must not contest these organs if our members are involved. This can be done through the union organisms, avoiding unnecessary personal exposures.

[Question] And the corporations?

[Answer] They, too, should collaborate. It would be a serious thing to oppose the expulsion of violent, subversive, and BR element But it would also be a serious matter not to oppose the practice of repression.

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## REPORT ON ENERGY PROBLEMS OF CEMENT INDUSTRY

Rome L'INDUSTRIA ITALIANA DEL CEMENTO NEL 1980 in Italian 25 Jun 81 pp 49-53

[Report to the assembly of the Italian Technical and Economic Cement Association (AITEC) given on 25 June 1981 in Rome: "Italian Cement Industry in 1980"]

[Excerpts] Energy Problems

Over the course of 1980, too, our sector has had to deal with some very considerable energy problems, such as the extremely swift rise in the cost of petroleum products, sundry programs calling for utilization of coal, higher electric power rates, and the more pervasive problem of interruptions in supplies of methane and in availability of energy from all sources.

Fuel Oil--As we have seen, some 65 percent of domestic cement production in 1980 came from kilns fired with heavy-grade oil.

That is still a very high rate of consumption if we bear in mind the need to cut back on imports of petroleum and consequently on our use of petroleum derivatives, but even so it is lower than in years past. Furthermore, it is certain that we shall be seeing a further marked decline during the Eighties as we gradually replace petroleum-derived fuels with coal, which is more readily available and cheaper, albeit a little bit more complicated to use.

Meanwhile, though, the cement industry cannot do without that liquid fuel, even though the never-ending price hikes severely skew our production costs, as pointed out elsewhere in this report. And while we are on the subject of costs, we must not overlook the surcharge on cement manufacturers stemming from the constraint of maintaining an obligatory level of fuel as reserve.

Coal--In its chapter on industrial fuel consumption, the old edition of the National Energy Plan gave coal a primary role. In fact, the cement industry came right after thermo-electric powerplants as principal consumers of coal during the eighties. We believe that such a role has been maintained in the new edition of the plan currently being completed by the appropriate offices of the [Ministry of] Public Administration.

As we mentioned in last year's report, our sector has been perhaps the first to study the conversion of its own plants following the "oil war." When, in 1977, the minister of industry asked it to evaluate the possibility of utilizing such a fuel, the cement sector presented a program that is considered quite interesting because of the



projections contained therein. In fact, a savings of almost 2 million tons of heavy fuel oil was forecast for 1985.

For that reason, the energy sources general management of that same ministry, in the true spirit of collaboration, tried to help the cement industry to overcome the administrative difficulties and the technical obstacles that confronted the sought-after plant conversion. During 1980, it intervened many times, under the recommendation of producers, to help achieve a solution to existing problems (which we will address shortly), and it became enthusiastically interested in determining positive directions in other appropriate matters concerning external and internal logistics (expansion of ports, creation of large coastal warehouses, rail transportation for coal, etc).

Nevertheless, difficulties and obstacles remain, even though for some of these some settlement has been achieved. It is disappointing, however, to have to admit to the slowness of certain procedures, the indifference of certain circles and the scant sense of responsibility of others who permit detrimental delays, unproductive work and unjustified efforts.

In particular, we are referring here to problems other than the "citizens' price" of cement and easier financing (which we considered amply even in last year's report), viz:

- building permits for plant conversions
- public authorization for the use of coal
- collaboration of the CRIA (Region Atmospheric Pollution Committees)
- transport of coal dust
- sulphur content of coal

The solutions that we have proposed for such problems are as follows:

1. The conversion of coal of plants currently fed by fuel oil must not be subject to the granting of a building license by community authorities. Despite the fact that a clarification may be issued in this respect, i.e., that the conversion of current plants must be in accordance with the technological adaptations set forth in the letter of the Minister of Public Works No 1918 of 16 November 1977, it is necessary, to avoid current obstructionisms, that a clarification to that effect be inserted in the amendment of Law No 10 (the "Bucalossi" law) of 26 January 1977, currently under study in the Ministry of Public Works.
2. Public authorization for the use of coal as set forth in Article 13 of Law No 615 of 13 July 1966 on atmospheric pollution must be made a reasonable act and the demands of industry must have rapid recourse via silent consent to introduce, currently or in the future, regulations on the use of fuels.
3. The collaboration of the CRIA's with the cement producers for the rapid conversion of their plants must be solicited by the proper powerplant health authorities in light of the fact that the use of coal does not produce atmospheric and environmental pollution as numerous scientific and technical studies attest to and prove.
4. The issuance of a regulation for the transport of coal dust by the proper minister must be accelerated to render it possible to supply fuel to those cement plants without adequate conversion facilities, and also because transporting it is not

dangerous. Dust products in current use such as farina, sawdust, cacao and sugar have a potential for "danger" considerably higher than coal dust.

5. The sulfur content of coal does not present a problem in the production of cement. Note that the sulfur combines during the production process with the firing material, transforming it into sulfates which remain incorporated in the clinker. Therefore, there are no polluting emittants of anhydrous sulfur into the atmosphere. For this reason, existing legislation, which sets the content of sulfur in coal at 1 percent while sulfur in fuel oil is permissible up to 4 percent (Article 13 of the law of 6/15/66), must be modified, raising that content level at least 3 percent in order to make possible the use of coal of different origins.

We reiterate that if current difficulties can be tackled and if the above-mentioned obstacles can be removed, the cement industry will provide a strong contribution to the reduction of petroleum consumption.

In fact, according to studies that we have conducted at the end of the year, the dynamics of coal consumption by our sector will have the following distribution:

1981	1,520,000 tons by 31 cement plants
1982	3,600,000 tons by 53 cement plants
1983	3,800,000 tons by 53 cement plants
1984	4,000,000 tons by 61 cement plants
1985	4,200,000 tons by 63 cement plants

with a consequent savings of oil of about 2,500,000 tons of heavy fuel oil in 1985 by 63 rotary kiln cement plants (not to mention the eight vertical kiln factories, which always use solid fuel) thus representing about 79 percent of all of the complete cycle production units of the industry.

Forecasts for use of coal in the cement industry in 1981 and 1985, subdivided by regions, support the following prospectus: (in thousands of tons)

<u>Region</u>	<u>1981</u>	<u>1985</u>
Piemonte	280	420
Liguria	-	25
Lombardia	530	900
Veneto	270	450
Trentino Alto Adige	-	30
Friuli Venezia Giulia	-	80
Emilia Romagna	100	280
Toscana	80	150
Marche	-	80
Umbria	70	200
Lazio	-	330
Abruzzo	30	100
Molise	-	30
Campania	-	210
Puglia	50	190
Basilicata	-	70
Calabria	-	155
Sicilia	90	300
Sardegna	20	200
Total	1,520	4,200

Such a geographic distribution is interesting because of the individual characteristics of the ports of entry for coal (coal comes almost wholly transported by sea) which must be expanded, of the storage areas in the port of entry which must be build, of the functional layout of rail and street transport which is already under study by the proper authorities of the Ministry of Transport and of initiation of service which will require specially equipped cars and the authorization to construct connecting track to those factories that still lack rail facilities.

As for the investments requisite for conversion to coal, we must first of all draw a distinction between plants built prior to 1970 and those built later.

For plants built prior to 1970, most of them already equipped to burn coal, overhaul, redesign, improvements, and in some cases replacement of equipment constitute an investment, particularly if we bear in mind the cost of meeting economic and environmental requirements, ranging anywhere from 1,000 to 3,000 lire per ton of production capacity, according to the state and type of installation, the size of the kilns, and the availability of space for stockpiling coal.

As for cement plants starting production after 1970 and designed to use only liquid or gaseous fuels (fuel oil and natural gas), the shift to coal requires installation of new equipment--always provided, of course, that there is room enough--for the entire process (railroad sidings where feasible, receiving, unloading, storage, recovery, inplant transport, milling, siloing, and metering). The investment required in these cases will run anywhere from 8,000 to 10,000 lire per ton of capacity, according to the number of design of kilns and to the operating capacity of the plant.

Generally speaking, over the next 5 years the investments we shall be called upon to make will certainly exceed 200 billion lire. And since, as we have already seen, cement-makers are not in the enviable position of being able to act as their own financiers, nor yet to qualify for special low-interest loans, they will have to go to the market for loans and pay the prevailing exorbitant interest rates. Will this be possible? Just in the nick of time the National Energy Plan calls for incentives to industry to convert to coal; but when will we see the money? This whole issue of credit facilitation for converting plants to coal is another one calling for swift settlement.

Methane--Use of natural gas (methane) by the cement industry, as indicated elsewhere in this report, was moderate in 1980 by comparison with other years, but even so it accounted for around a fifth of all cement production. Methane consumption might have been far higher if the cement plants which do use it could have been assured of supplies during the winter months; unfortunately, as we know, the utility stops distribution during the winter in order to meet general requirements, mainly domestic household needs.

In this connection, we must remember that, beginning next year, supplies from Algeria will make more gas available. With that in mind, the National Energy Plan must stipulate very precisely exactly how much of an impact this fuel will have in the area of industry, especially for purposes of proper corporate planning.

Still another major aspect is the matter of the selling price of natural gas which, as we all know, is pegged for the sector to the price of heavy distillate at a ratio of 0.91. That ratio, although it allows for some of gas's advantages over other

fuels, is certainly in excess of its thermal yield, and therefore it should be revised downward to a more economically reasonable level. The same applies to some other contract clauses and standards imposed by the supplying utility from its position of strength.

Electric Power--The availability of electric power for industrial use, particularly during the winter months, has given rise to considerable concern in our sector which, as we all know, is a heavy user of energy!

For these and similar reasons the cement producers gladly welcomed some of the steps taken by the National Electric Power Agency (ENEL) with an eye to putting some sort of order into energy consumption; in fact the cement producers worked together with other industries to get them through.

The idea there was to implement the single rate for light and power and the off-peak differential rate structure, as well as to get approval for the rules under which the latter would be applicable. Again, in the area of service subject to suspension, following the introduction of the off-peak differential rates, we worked with ENEL to arrive at a mutually satisfactory rate agreement.

Initiatives of this kind, whose purpose was to achieve fuel economies, provide incentives for off-peak use, and ease the impact of the restrictive measures called for under the Institute's "security plan," have yet to solve the problem of the existing anomalies in the rate structures, which penalize industry's use of electricity in favor of household uses and encourage waste and abuse thereby. As a consequence, we have asked that rates charged industrial users be tied to actual [power] production costs, and that the utilities abandon their present approach, which places extraneous burdens on industry.

Alternative Fuels--The cement industry continued throughout 1980 its experiments with utilization of non-conventional fuels, and in some instances actually used such fuels. We are referring, of course, to wastes and to industrial residues (portions of urban wastes, used petroleum products, industrial sludges, flue scales, organic wastes, olive husk, discarded tires, textile industry byproducts, etc.), all of which retain some calorific potential, albeit limited.

These, however, are very limited quantities; furthermore, the cost of equipment required for their utilization is often greater than any feasible energy savings.

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## ANTICIPATED PARTICIPATION IN USSR NATURAL GAS DEAL

Amsterdam ELSEVIERS MAGAZINE in Dutch 1 Aug 81 pp 57-59

[Article by Marius van Rijn: "Soviet Gas for Western Europe"]

[Excerpts] Moscow and Bonn have signed an arrangement last week, which can be called not mistakenly "the agreement of the century." Fourteen FRG banks, led by the Deutsche Bank have granted a credit of 4 billion guilders to the Russians for the construction of a gas pipeline, 5,500 kilometers long. Even Netherlands' business can walk away with huge orders in the construction of the pipeline between Siberia and Western Europe. Politically--especially in the United States--the agreement does not make such a good impression: in times of crisis or war the Russians can turn the gas cock off. But now that the financial side of the huge project is settled, it appears that by the end of the eighties Western Europe is going to be warmed with gas from the freezing Siberian cold.

Now that the financing of the project is settled, the rush is beginning for the eventual orders. But since the money is of German origin, the chance appears great that the huge orders will go to FRG businesses. The steel giant, Mannesmann, appears especially at the moment to have a good position in the market for the delivery of the unlimited amounts of pipe.

That company, moreover, is able to finance itself part of the delivery costs, about which negotiations are already being carried on with the Russians. Besides, Mannesmann has great experience in the delivery of pipe to the Russians. For that matter, they were not always so positive. Egon Overbeck, the chairman of the board of directors, said a few weeks ago that his company, it is true, is very interested in the Russian order, but that deliveries in the past have not been profitable. Nevertheless, he hopes to achieve a profitable operation in Siberia, through yearly price negotiations.



## There Is Enough Natural Gas in Russia

Recent estimates declare that 40 percent of all the available natural gas is under Soviet soil, that is 14 times as much as the Netherlands, which still is well endowed with this valuable energy source. But the big problem was laying the pipeline and especially its financing. At the beginning of this year, FRG and French bank consortia still hesitated, because the interest proposed by the Russians for the huge loans were far under the European rate of interest. At that time Dutch bankers saw a good opportunity to exploit. Their secret: interest insurance, which was possible with the support of the Netherlands Credit Insurance Company.

The Netherlands' government was also ready to provide coverage. In March 1981, a then still optimistic H. H. Foppe of the Amro Bank declared to ELSEVIER that the Netherlands could handle the credit offers to the Russians, in spite of the explosive increase of interest in France and the FRG: "We are a step further on the point of financing than the Germans and the French. We have obtained a promise of rent insurance from the Netherlands Credit Insurance Company which gives the banks involved risk coverage for interest difference, which could possibly be disadvantageous to us, between the so-called basic interest where the credit agreement starts and the existing market interest in due time."

It is all complicated financial terminology, but the problems are mainly caused by the fact that the Russians have held out for the interest of about 7.5 percent, which is low in Western eyes. As it now appears, the FRG banks could cope with that risk. The original discussions about this gigantic natural gas project began one and one-half years ago. In all that time the Russians still had fixed no price for the natural gas they were to deliver, with which they had to pay off loans in the West.

On the other hand, the fact is that most of the fiercely competing western delivery companies still have not made any binding offers to the Russians. It is a complicated and for the insiders fascinating poker game, with one of the largest orders the Soviet Union has ever made abroad at stake.

### Contractors

The contractors have also formed consortia, imitating the banks--the task is much too large for an individual enterprise. In the Netherlands, the consortium is led by the affiliate of Bos-Kalis-Nacap, a company with extensive experience in the field of laying gas pipelines. In addition there are taking part in it: HBG /Holland Concrete Group/, IHC Holland and ten smaller technical companies, which are not all directly involved in the construction



of the pipeline, but also with the delivery of a large variety of equipment--such as the 41 compressor stations which must be included in the pipeline and all kinds of electronic measuring devices. Shell's top executive, Wagner, and other leading figures from Netherlands' industry paid a visit to Moscow at the end of 1980 to explain what the Netherlands could do in that field.

There was then talk of a "complete package," which could put the whole project in Netherlands' hands. Philips, Estel, VMF [United Machine Works], Rijn-Schelde-Verolme, Holec--and what have you, practically all the leading companies of Netherlands' industry, submitted a construction bid to Moscow. Now that German financing is completed, however we must wait and see whether the Netherlands' initiative will still bear fruit. The pipes themselves will almost certainly go to Mannesmann in Dusseldorf, but in the field of accessory structures and equipment, there are certainly great opportunities for Netherlands' industry.

The Russians are playing their poker game with great cunning. They have the greatest trump card: the keenly desired natural gas. The West may have the necessary money and the technical know-how, but the mutual competition is so great that Moscow can quietly wait and select the most attractive bid. German, American French, Dutch, Belgian and Japanese businessmen have almost knocked down the door in Moscow to offer their services. Many and long negotiations will still have to be conducted, before it will be decided exactly how the rich booty will be divided among the greedy western businessmen.

8490

CSO: 3105/163

## BRIEFS

DOMESTIC PETROLEUM PRODUCTION INCREASE--Ankara, (ANKA)--Domestic crude petroleum production has reportedly begun a rapid increase, beginning in the month of May. It is indicated that the entry into production of new fields discovered by the Turkish Petroleum Corporation is a factor in this production increase. Due to the aging of wells which have been exploited for years, domestic crude petroleum production had been decreasing continuously since the first months of 1980. Domestic crude petroleum production, which attained 2.83 tons in 1979, fell to 2.32 million tons in 1980. During the January-April period of 1981, production amounted to 665 thousand tons, decreasing by 13.2 percent by comparison with 1980. In May 1981, however, domestic crude petroleum production reached 284 thousand tons. This figure is 38.5 percent greater than the May 1980 figure of 205 thousand tons. Thus, the production for January-May comes close to the 1980 production level for the same period. Officials estimate that "Due to the new wells, production will exceed 1980 levels by the end of the year and will approach 1979 levels." Foreign purchases of crude petroleum are increasing. Foreign purchases, which amounted to 7.19 million tons in 1979, rose to 11.16 million tons in 1980. And in the period January-May of 1981, foreign purchases rose to 4.4 million tons from 3.31 million tons in 1980. [Text] [Istanbul MILLIYET in Turkish 28 Jul 81 p 11]

GOLCUK NATURAL GAS DISCOVERY--Golcuk, (A.A.)--Natural Gas has been discovered in Golcuk, part of Kocaeli [province]. According to information obtained, an explosion occurred while an individual by the name of Huseyin Coskun, living in Golcuk's Kavakli quarter, was digging a well in the garden of his house. Noting that an odor had spread around the area following the explosion, Huseyin Coskun and well digger Kemal Sevinc immediately informed the district governor's office of the situation. Kocaeli Governor Hikmet Gulsen together with Ipras Refinery officials Abdulkadir Baser and Atilla Onen, came to the site the night before last. Following an examination which they performed, they stated that the gas issuing from the well was methane. The officials indicated that they could not say anything definite at that moment concerning the status of the well but that following the studies which were to be carried out they would be able to provide information concerning reserves. [Text] [Istanbul HURRIYET in Turkish 17 Aug 81 p 3]

CSO: 4654/141

**PUBLIC SPENDING 'MUST BE CUT'**

Nicosia THE CYPRUS WEEKLY in English 14-27 Aug 81 p 8

/Text/

The Cyprus Chamber of Commerce and Industry has made an urgent call to the government to curtail public spending and take steps to reduce budgetary deficits.

In a report covering economic developments in the first three months of this year, the Chamber said the energy crisis, the international recession and the failure of the public sector to curtail expenditure and budgetary deficit and its reliance on borrowing, were having adverse effects on the Cyprus economy.

**Competitiveness**

"Continuation of these adverse developments is expected to have a negative effect for the remainder of the current year on the stability and evolution of the economy", the Chamber warned.

It said "inflationary increases" in wages and salaries had led to "a considerable reduction in the competitiveness of Cyprus products both at home and abroad".

"All these lead us to the conclusion that we should not expect a growth rate in constant prices of over 3½ per cent while the unemployment ratio is expected to exceed three per cent of the economically active population by the end of 1981".

The report stressed the need to find a commonly agreed formula on prices and incomes "so that the increase in real wages and salaries should not exceed the rate of increase of national productivity".

**Industrial exports**

Giving an outline of developments in the first quarter of this year, the Chamber said there had been a fall in the production of cement, bricks and mosaics.

It said demand for cement had slackened because there were not sufficient orders from overseas, while consumption at home has diminished because of reduced activity in the building industry.

Production of clothing and footwear items and paper and

chemical products remained at the same level, reflecting a satisfactory demand from overseas.

Industrial exports went up from £22.7 m. to £26.4 m. but the Chamber said the 16.4 % increase was mainly due to higher prices and did not mean more exports in volume.

In fact exports in volume of food, drinks, furniture, leather goods and transport equipment had decreased.

### **Balance of payments**

There had been a worsening in the terms of trade due mainly to higher prices for petroleum imports, the report said.

The balance of payments deficit in the first three months of this year reached £20.1 million compared with £25.5 m. in the same period last year, while the island's exchange reserves at the end of March stood at £141 m. as against £157 m. at the end of 1980.

The inflation rate was 11.7 % compared with 13.5 % for the whole of 1980.

CSO: 4600/156



## UPSURGE IN TOURIST ARRIVALS REPORTED

Nicosia CYPRUS MAIL in English 13 Aug 81 p 1

/Text/

**T**OURIST arrivals to Cyprus till the end of July have increased by 40,000 to a record total of 228,500 during the first seven months of the year, raising hopes that the total for the year may well exceed the 400,000 mark.

The figures for the seven months show, despite a poor start in the early months, an increase of 21.5% over the period last year and must be a source of pride for the island considering that most countries, including Greece, are showing a drop in figure because of the general recession.

Last year's total arrivals reached 353,375 and if the same rate of increase continues the final count could be well over 400,000.

**Lead**

The UK continued to maintain the lead with 68,611 visitors out of a total of 228,500 which is 30 per cent of total but the rate of growth at 11.6 per cent is lower than average and lower than that of last year.

The biggest increase in numbers is in the case of Sweden which with a total of 34,869 for the seven months claims

second place (after UK) and shows an increase of 134 per cent over the figures of last year.

Lebanese arrivals which for a time showed a tendency to drop are again rising and the figure from that country in the seven months was 18,000 or just under 8 per cent of total and an increase of 60.8 per cent compared with last year.

Greece is the only country from where arrivals have been dropping during the year. During the seven months of this year the total was 17,471 as against 19,566 of last year, a drop of 10.7 per cent which gives Greece 7.6 per cent of total and fourth place as a supplier for Cyprus after the UK, Sweden and Lebanon.

The travel trade explain that the drop of visitors from Greece must be attributed to changes in the exchange rate

which make it uneconomical for the Greek visitors to do shopping in Cyprus as they used to.

**Arabs**

West Germany with a total of 16,469 visitors till end of July occupies fifth place with an increase of just under 16 per cent compared with the same period last year.

Swiss visitors number 5,382, representing an increase of 35 per cent over last year and the Austrians with 5,364 arrivals showed an increase of 28.4 per cent.

Visitors from the Arab countries and the Gulf number 24,461 representing 12 per cent of the total and when Lebanon is added with 18,000 arrivals the total percentage of Arabs reached just under 20 per cent.

## FINANCE MINISTER PROPOSES REMISSION FOR TAX EVADERS

Rome L'ESPRESSO in Italian 9 Aug 81 pp 104-105

[Article by Tullio Fazzolari and Luisa Lanzara: "Come Back, Dear Evader"]

[Text] The minister wants to offer tax evaders another chance. They can straighten themselves out with a declaration, without paying fines or interest and can avoid handcuffs. It is a golden opportunity for someone who has evaded taxes.

Rome--"It is the last chance that we are offering tax evaders." That is how the minister of Finance, Rino Formica, who replaced Franco Reviglio a short time ago, is announcing his latest project to his cabinet colleagues and to his most trusted associates: a new tax remission. In short, a cancellation of the past, by means of which evaders can set things straight with the revenue authorities. In fact, a cure-all for those who have not paid all they owed the Treasury in recent years and, in this way, avoid incurring heavy penalties: fines, payment of interest and, when there are any one day, handcuffs for tax evaders.

They were anxiously awaiting it. The last remission granted by the Italian Republic dates back, in fact, to 1973. And, still today, tax evaders recall those days as an old athlete cries over his lost successes. It was a memorable debacle for the revenue authorities. Almost no one paid what he had evaded. The mechanism of the remission was based on complicated mechanisms and this contributed to giving tax evaders a strong hand. The offices of the revenue authorities were congested for 5 years between their declarations, checking and controversies. And, among other things, there was no longer even so much time for digging out new evaders or new fraud against the Treasury committed by the same persons.

In short, 1973 was a dark year for the revenue authorities. And a golden year for tax evaders. Now they can hope to revive past laurels. And to win another battle, thanks to the remission.

But exactly of what does the remission prepared by Formica consist? And when could it be implemented? Because of the new property tax, the minister preferred to begin to study the problem on his own account and has done things with every precaution. In order not to run into mishaps, he has brought the prime minister, Giovanni Spadolini, up to date. There is a final chapter in a memorandum sent to the prime minister's office, "to Dear Professor Giovanni Spadolini," in which the main lines of tax policy are set forth. It is headed: "A Procedure of Interest to All Taxpayers: Tax 'Remission'." Here is what it says:

"Another remission," Formica maintains, "might be a useful instrument for: 1. Reducing litigation appreciably, releasing energy of the finance offices; 2. Increasing yield immediately, by means of straightening out suits in progress and still hidden evasions; 3. Increasing future revenue, resulting from the emergence of 'hidden' economy groups, by means of putting the tax position of companies and individuals in order." In short, Formica is frightened by the number of petitions lying in the offices of the tax authorities. "As of the end of 1980, in the tax commissions alone, petitions to be acted on amounted to 1,629,165, while in the offices of finance superintendents, an additional 960,000 suits lay pending as of the same date." Therefore, the minister wants to encourage taxpayers to straighten themselves out with a remission.

Reviglio had also thought of something similar at the time when imprisonment for evaders was proposed. But it was not pushed so far. Taxpayers could clear past records by declaring what they have evaded between 1975 and 1980. Thus, they avoided imprisonment, but not fines or the payment of interest at the rate of 8 percent.

All this is not enough for Formica, according to whom Reviglio's bill served especially for ensuring a non-traumatic introduction of new tax penalty rules." On the other hand, in the opinion of the new Finance minister, "in order to improve effectiveness also with regard to revenue and in order to increase the propensity of taxpayers to avail themselves of remission, a threshold might be established exceptionally within which a taxpayer's corrections would be made final, without subsequent checking by the tax offices." And he adds: "Other modifications than can be proposed may concern abolition of interest on the tax installments due. It might also be discussed whether: 1. To extend application of the rules to taxes other than income and value-added taxes, possibly with some exclusion pertaining to especially serious violations; 2. To consider the possibility of achieving, under certain conditions and in specific cases, also remedy of possible currency violations connected or not connected with the foregoing point."

In short, every facility to repentant tax evaders returning to the flock. Anyone who did not pay taxes, evades the value-added tax, falsified company statements declaring fewer profits than was true, between 1975 and 1980, has an opportunity to come out unharmed. As of May 1982, he will owe a first "true" declaration for the current year. And later, perhaps during 1982 itself, make a complete declaration from 1975 on.

The tax office will thus end by being swept under another avalanche of petitions and will risk paralysis. But they maintain, in the Finance Ministry, that it will not be as it was in 1973. With the new remission, they say, the offices will merely have to add up the two declarations, the regular one and the total one, without all the old 1973 litigation. And thus, they add, the tax authorities will recover several billion lire, definitely 5 or 6 trillion.

And what about checks? Who ensures that the new total declarations will be so truthful? The sole guarantee can come from the new penalty rules. For now, however, the only inspection instrument is examinations by lot. This is somewhat little for resting easy and for preventing the new remission from being another cure-all for tax evaders.

And not only evaders, There also are some persons who have paid their taxes for whom it will certainly not be comforting to see that with the remission evaders have had a loophole raised to the nth power. Another remission may be encouragement for evaders to continue in the future, "because," as they also agree in the Ministry of Finance, "it may create an expectation of further remissions in the future."

Therefore, Formica's plan is being evaluated prudently by the government and by the other political forces. What sense is made by a remission that "cleans up" evaders without making them pay one single lira in fines? "There certainly is a danger," the secretary of the Liberal Party, Valerio Zanone, says. "The danger of making all those who have paid their taxes in the past feel naive. At any rate, the remission, like the property tax, is not included in the agreements signed by the parties when this government was launched. And, before acting on it, it must be discussed thoroughly." Christian Democrat Mario Usellini is more possibilist: "Formica's proposal takes into account the excessive number of petitions that are paralyzing Finance offices. In principle, it is an expunction that should be thoroughly evaluated and examined, in order to prevent "clever" persons, that is to say those who have evaded taxes, from being granted privileges. But the remission is technically necessary. In other words, "yes, but cautiously," provided instruments indispensable for the revenue authorities, like tax commissions, are reorganized. Otherwise, any reform is destined to fail." A social democrat, Carlo Vizzini, says that he disagrees with Formica "only on the possibility of introducing the tax on sources of income from real estate" and, therefore, he looks with favor on remission. On the other hand, a communist, Giuseppe D'Alema, says that "it is possible to talk of remission only once the law going under the name of "handcuffs for tax evaders" is launched and only after a reform of litigation has been made. If we want to give a remission, that is to say to begin by turning over a clear leaf, appropriate conditions are needed. Otherwise, there will be such a mass of petitions that will lead us to chaos. Therefore, remission cannot be free. It must be preceded by strict rules that can finally bring those who are guilty of specific offenses before a judge. In other words, the "preliminary issue" of remission is elimination of the preliminary tax issue and a reform of litigation."

Basically, this is what Formica is requesting. More of a politician than Reviglio, he will bring about passage of the remission and will achieve personal success. But the real winners will still be the tax evaders.

10,042

CSO: 3104/348



## DC PARLIAMENTARY LEADER ON PUBLIC SPENDING

Rome IL BORGHESE in Italian 26 Jul 81 pp 827-829

[Interview with Piero Bassetti, chairman of the Committee for Analyzing Public Spending, a joint committee of Christian Democrat deputies in the Chamber and experts, and deputy head of the Economic Bureau of the Christian Democratic Party, by Nicola Patruno]

[Text] Concerning cuts to be made in public spending, Prime Minister Spadolini is encountering very stubborn resistance by the ministers concerned, independently of their political party leanings. It is a demonstration of how much the "policy of the axe" is characterized by episodic interventions, which, in addition to proving to be harmful in some cases, might be resubmitted, raised, in a short while.

It cannot be denied that public spending has taken on dimensions capable of putting the very existence of the state in doubt, but it is likewise undeniable that the problem is being dealt with in depth, and not superficially, as the government is about to do, on the other hand. In fact, the government's program plans to make purely sectoral cuts that might turn out to be ephemeral, instead of analyzing the public sector's criteria of efficiency and productivity, in order not to risk cutting where public spending is productive, on the other hand.

The Christian Democrat group in the Chamber has set up a joint committee of deputies and experts, called "Committee for Analyzing Public Spending," under the chairmanship of Deputy Piero Bassetti, for the purpose of analyzing the phenomenon, in order to contend with it. We have turned to him for an interview on the subject, which has become especially heated the last few days.

Piero Bassetti is, at present, deputy head of the Economic Bureau of the Christian Democratic Party. During the 1960's, he was budget and programing adviser to the Commune of Milan and chairman of the Lombardy Economic Programing Committee. From 1970 to 1974, finally, he served as president of the Lombard Region.

Question: Every political party is stressing the need for holding back public spending. However, only the DC [Christian Democratic Party] group in the Chamber has set up a committee for "the critical analysis of expanded public spending," thus showing concretely that it wants to tackle the problem on the basis of facts. How do you explain the lack of similar moves by other groups?

Answer: The problem of public spending and of its containment concerns every country in the world and not only countries with an advanced capitalism. With regard to Italy, the issue has been raised more than once in the past and in various places, within and outside the Christian Democratic Party, within and outside its parliamentary groups. The DC group, obviously, also because of the commitments and responsibilities that it has within Parliament, has felt the need for tackling public spending in accordance with a more detailed analysis and checking. This, then, is not the first initiative. The initiative of that group of deputies, called "of the 28," which initiated a battle, last year, against the budgets of State Participation, will be recalled also. You mention a lack of similar move in other groups. We do not know how other parties operate, but, at any rate, the other parliamentary forces will sooner or later have to face up to the results, the data and the proposals to which our work will lead. It is true, however, that this is further confirmation of the awareness that the Christian Democratic Party has concerning not only political formulas but also the concrete problems that our country must tackle.

Question: At present, what is the relationship between public spending and productivity? Can you indicate it with a comparison with what happens in private businesses or in other countries?

Answer: I can supply you with some interesting data. Spending in the public sector, in the 1960-1980 period, increased from 32 percent to 46.7 percent of the gross domestic product, with a 45.9-percent increase in real terms, ascribable entirely to current spending (transfers, interest and pay). At any rate, the increase in public spending was not accompanied by a development of productivity, which continued, rather, to decrease in many sectors, especially with regard to the quality of the services offered. With regard to a comparison with what happens in private businesses, it is impossible to make one, in my opinion, although it can be stated that the increase in the public sector has occurred beyond reasonable estimates of the cost-benefit type. Concerning other countries, it can be said that, in spite of the fact that there is a structural crisis trend in public finances, Italy, in the '70's, was constantly in first place among the industrialized countries in extent of deficit, that is to say in volume of spending. Then there is another detail: in Italy, spending for public investments shows one of the lowest levels with regard to the GNP. On the other hand, there is a very high incidence of current transfers. Therefore, the composition of spending is such that it offers little stimulation to an increase in economic activity.

Question: One of the greatest problems on which the committee has already expressed its opinion, is the problem of "duplication of functions." In practice, the "social" state has established a series of structures, in order to ensure the citizens of specific "services." These "services," however, are lacking. Result: the citizen, who has been paying taxes for a long time to have "services," then has to spend more money to solve specific problems (health, school, security, and so on) privately. Is that true? Can you give us some examples?

Answer: There is no doubt that, in our country, there is a real duplication of functions in some sectors of the services that should be guaranteed by the expansion of public spending. The existence of two health services, of two schools, of two kinds of transportation, are some of the consequences of an already mentioned low productivity of public spending. We can give some examples: the high cost of professional education burdening some enterprises is the result of the inefficiency and waste characteristic of the education policy in our country (high incidence of current spending and consequently little presence of investments in advanced education technologies, with negative repercussions on the training of the intellectual labor force). Another example, that you too have already mentioned, in which we see macroscopic waste, is the example of spending on health, one of the most dynamic categories of public spending. Application of actual budget ties has been given up in the hospital sector, resulting in an uncontrolled rise in spending. Then without having this go along with the real health needs of the citizens.

Question: Still in connection with the "services" that the "social" state is paid for but does not provide, is it true that this phenomenon is also observed in other countries, as a result of the spread of "welfare" concepts that, later, serve only to feed the bureaucracy involved in welfarism?

Answer: The problem of the evolution of public intervention in the social field is common to a large part of the capitalist countries with a mature economy. The low rate of development characteristic of those economies in the 1970's makes state action difficult. The state should provide care to an increasing proportion of the population that does not find employment in the industrial sector. Precisely the fact that the welfare phenomenon concerns every country, especially the industrialized countries, as you see in the controversial discussions in progress in the United States after Reagan's decisions, show that speaking of public spending does not mean performing only an act of budget cutting. It is a question, instead, of performing a political operation in the selection of certain spending items left in the place of others, taking concrete historical situations into account, which, for example, in our country have involved vast areas in the South. The welfare policy often seemed to be the most immediate answer to social incentives in the more backward areas of the country that were not mitigated even by emigration or by sizable investments made. Now, this helps us to realize that the discussion of public spending is not of the accounting type, but is rather eminently political and that it concerns all the forces, both majority and opposition.

Question: You know that retired persons in Italy are poorly paid, It is also true, however, that there are millions of "counterfeit" disability pensions, handed out for patronage reasons. Do you believe that it is possible to review the lists of pension recipients, in order to take the allowance away from those who are not entitled to it? Or do you think that the Marxist concept according to which "you do not turn back" should prevail also in this field?

Answer: I also answered on the problem of pensions implicitly a short time ago. When we touch that spot, in fact, we touch directly with our hand the sense of the evolution of our country's history. Pensions in Italy are making us see clearly what our history has been. Undoubtedly, we must make a definite cut that will eliminate phenomena of corruption, like the phenomena of "counterfeit" indemnities, by which, in some places in the South, half the citizens are pensioned and the others also, perhaps for disability. We must realize, however, that in a country

that is coming near to having over 10 million retired persons, that is to say a fifth of the population, the problem must be tackled with new criteria. You cannot talk indiscriminately against pensions. The most obvious waste must be eliminated, but it must also be realized that, as our society grows older, the matter of pensions must be tackled in a more organized manner. Moreover, data confirm the need for putting this field in order. Expenditure for pensions granted by the government came close to 40 trillion lire in 1980, a figure amounting to 12 percent of the national income. In spite of that, as I have already said, it must be believed that the considerable increase in expenditure for pensions is not accompanied by a redistribution action to protect the lowest incomes. The serious distribution inadequacies of the pension system are known. This is indicated, as already mentioned, by the high number of disability pensions, especially in the Center-South regions.

Question: What sectors have come to the committee's attention because of the greatest amount of waste?

Answer: We have already mentioned spending for pensions. Next comes health expenditure, which approached 20 trillion lire in 1980. It is, therefore, a question of 5.84 percent of the national income (nevertheless, it must be borne in mind that statistics underestimate spending in the health area). Strong waste factors are concealed here, that is to say expenditures in excess of the real needs for health protection or actually spending that may prove to be counterproductive (for example, drug abuse). Finally, there is spending for education. In spite of the fact that the degree of spending attained in Italy places us among the industrialized countries that allocate larger funds to that sector, dissatisfaction over the qualitative levels attained is widespread. There is, then, a need for reorganizing and reducing all the current transfers. Moreover, these are the spending categories on which the new government's attention has been focused properly.

Question: There is much talk of "moralization" and of "moral issue." Do you believe that the inefficiency of the public services, for which the state demands lots of taxes from the citizens, should or should not be included in the "moral issue"? In other words, if the state is the first to set a bad example by cheating the citizens to whom it promises things that it cannot maintain later although it had received in advance payment for the service itself, how is it possible to "moralize"?

Answer: I would not say that inefficiency of itself implies "moral issue." When, however, a political, entrepreneurial, and especially mental and cultural system tends to base its own survival on inefficiency, it is clear, then, that the moral problem comes up. When it does not come up, later, precisely in markedly scandalous cases. It is obvious that first of all the citizen has to recover trust. This recovery must also come, thanks to a better functioning by the state. A state that functions, in fact, means primarily limitations on possibilities for scandal, for illegal behavior conflicting with the people's interest and feeling.

Question: The citizen has the impression that the communes, the regions and Parliament are concerned primarily with issuing laws through which surreptitious financing of political activity is ensured. Laws for easy credit, laws for tax exemptions, and so on. Organizations that, perhaps in the form of a cooperative, but actually are party offshoots, enjoy their benefits. How much truth is there in this impression?



Answer: It cannot be denied that, in the last few years, Parliament has not exercised effective supervisory action over the dynamics of spending, increasing its growth in some cases. The matter of local finances is completely different. With the tax reform it was decided to centralize tax revenue. At the same time, there was a move toward decentralization of spending decisions. State sector transfers to local bodies, consequently, increased from 10 trillion lire in 1976 to almost 40 trillion in 1980. In spite of that, what was necessary was not done, because the amount and effectiveness of spending by local bodies were subject to the constraint of specific responsibilities for the administrators called upon to spend money collected with state taxes. Instead, when local government spends, it must then be held responsible for taxing the citizens who vote for it. It is necessary to move in this direction urgently. Undoubtedly, there is a whole series of allocations (easy credit, for example) that result in support of inefficient sectors of economic activity. But this enables us to clarify the limitations of our committee. In this specific case, the problem is not cutting spending, but rather the formulation of a consistent sector policy.

Question: The social democrats have announced the intention of promoting, with an appropriate law, an investigation of the financing and spending of every political party and associated economic, financial and recreational organizations, and also on their membership. What do you think of that?

Answer: I am in agreement with any serious proposal put forth in that connection. Moreover, a similar proposal was also submitted by me in Parliament. I have proposed several times, and not yesterday but as far back as 1975, within my party a different management of budgets, of expenditure and, therefore, I cannot fail to be in agreement with every initiative tending to throw light on this important, critical aspect of political party activity, in order to improve their presence and image among the citizens.

10,042

CSO: 3104/348

## NATIONAL DEBT, BALANCE OF PAYMENTS DEFICIT DESCRIBED

Madrid ABC in Spanish 8 Aug 81 p 20

[Text] Madrid--Spain's long-term foreign debt stood at \$22.101 billion at the close of the first quarter of 1981, according to the latest official data. Of this amount, \$12.605 billion consists of the outstanding foreign debt of the private sector, while the remaining \$9.495 billion make up the public sector debt.

As we know, over the last few years Spain's foreign borrowing capacity has doubled, especially in the private sector, which has moved onto capital markets with much greater intensity.

The following is a breakdown by sectors of Spain's long-term foreign debt at the close of the first quarter of 1981, according to the latest statistics:

--Public sector: State, \$1.584 billion; Spanish National Railroads, \$1.193 billion; INI [National Institute of Industry] enterprises, \$4.460 billion; other public agencies, \$1.674 billion.

--Private sector: State-guaranteed, \$1.334 billion; without State guarantee, \$11.271 billion.

As far as the lenders of the debt are concerned, of the \$22.101 billion that the foreign debt stands at, \$15.590 has been loaned by the foreign private sector (financial institutions in particular); \$4.147 billion through agent banks, and the remaining \$2.364 billion by the foreign public sector.

Within this latter category, the international public agencies that Spain has the most debts with are the Eximbank (\$866 million), the International Monetary Fund (\$233 million) and the World Bank (\$215 million).

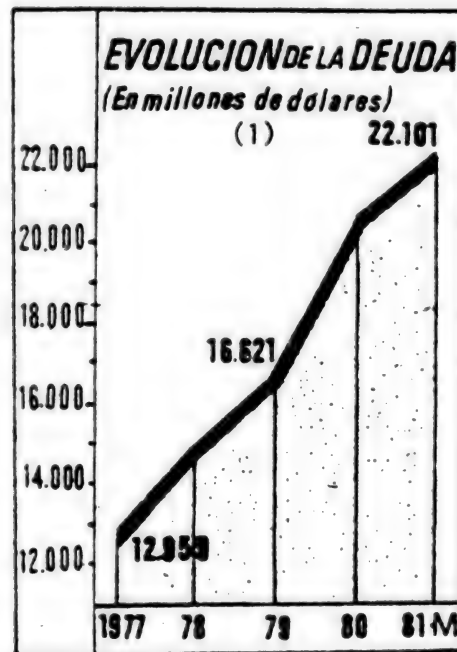
Payments Deficit. Meanwhile, the current account of Spain's balance of payments at the end of April showed a deficit of \$3.491 billion, according to cashbook statistics of the Bank of Spain. This is up 86.3 percent from the \$1.901 billion that the deficit stood at at the same time in 1980.

The Bank of Spain adds, however, that if we subtract from this \$1.59 billion increase the corrected figure for merchandise exports, which has already been referred to on previous occasions, the rise shrinks to \$934 million, and thus the deficit would be \$2.835 billion.

In any case, the data also show that the surplus in the transfers balance dropped to \$554.7 million from the \$588.6 million during the January to April period last year.

Where the decline shows most clearly, however, is in the invisible trade balance, which posted a surplus of just \$788.8 million, compared to a surplus of \$1.137 billion over the first 4 months of 1980.

The drop in this category is due mainly to the increased deficit in the items listed as "investment income" and "other services," inasmuch as the category "tourism and travel" shows a slight rise, from \$1.335 billion in January-April 1980 to \$1.341 billion this year.



Key:

1. Foreign debt, in millions of dollars

8743

CSO: 3110/137

## INCREASED INVESTMENT SEEN AS POSITIVE ECONOMIC FACTOR

Madrid ABC in Spanish 8 Aug 81 p 21

[Text] Madrid--"The latest estimates of investment seem to bolster the hope that the dismal investment period from 1975 to 1979 is definitely a thing of the past," says a report on investment published by the studies service of the Hispano-American Bank.

The reversal of the trend took place in 1980, when after 5 years of continual decline, the investment growth rate turned positive, albeit just slightly. The trend is consolidating in 1981, and there is reason to hope that it will intensify in 1982.

Among the findings of the latest business opinion polls conducted by the Ministry of Industry and Energy, we should underscore the promising results of the survey on investment expectations in industry for the second half of 1981. The percentage of affirmative responses was very encouraging, much more so than in previous months. In fact, it has been 4 years since such promising prospects were recorded.

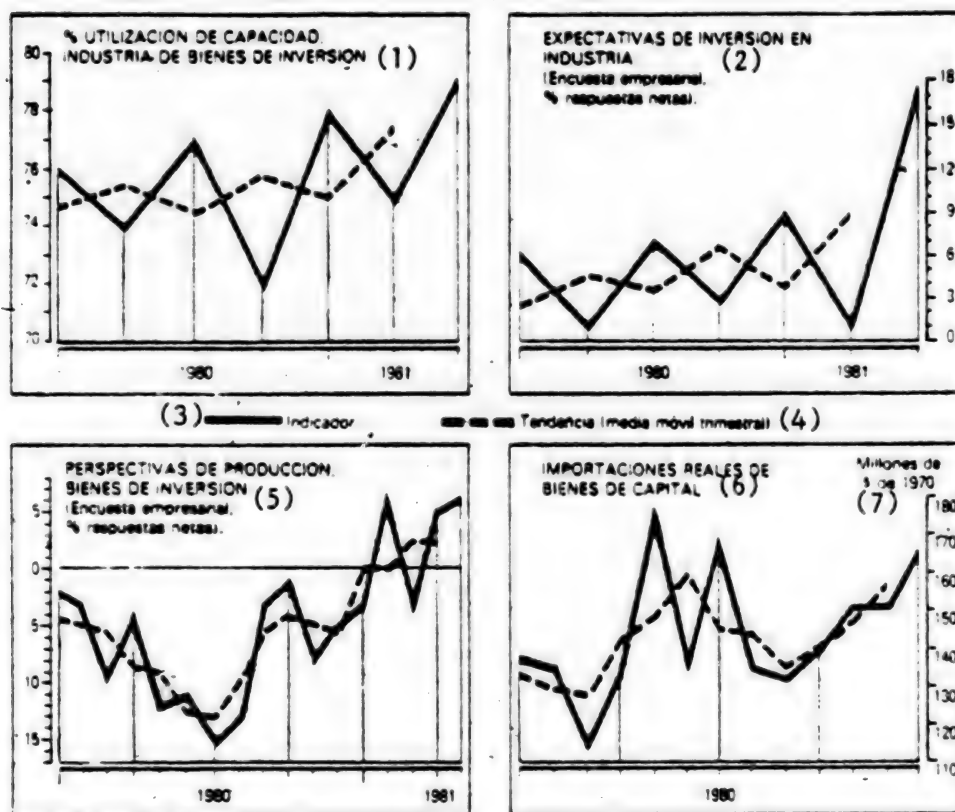
With regard to the companies in the capital goods sector, we should note that they are currently achieving higher percentages of production capacity use than a year ago and that the trend here is expected to post an appreciable upswing, hitting levels not reached since 1976.

As far as the construction sector is concerned, there will be no real growth in investment in 1981, which is already a major accomplishment after last year's 4.5 percent decline. This sector is recovering slowly, and it is unlikely that the results of the 3-year housing program will begin to show up before 1982.

The same will hold for investment in industry, which will be smaller in 1981 than in 1982 because the legal incentives for reconversion are more favorable starting next year.

Another important factor for the bigger boost in 1982 is the startup of the recently drafted 1982-1984 3-year public investment program, which calls for total investments of around 2.4 trillion pesetas over this period, 825 billion during the next fiscal year.





Key:

1. Utilization of capacity by capital goods industry (in percent)
2. Industrial investment expectations (business poll, percentage of net responses)
3. Indicator
4. Trend (quarterly moving average)
5. Capital goods production prospects (business poll, percentage of net responses)
6. Actual imports of capital goods
7. Millions of 1970 dollars

These figures, which highlight the investment efforts that the State will be exerting over the next few years, do not reflect the total extent of public investment, because on the one hand, there are several projects being financed outside the budget, and on the other, they do not include the investments of a series of autonomous agencies that are not being financed through State transfers. The effectiveness of State and autonomous agency investment plans will depend on the extent to which they help the private sector or have a positive impact on energy conservation, thus aiding our balance of payments.

The recovery of private investment will thus be supported and stimulated by the actions of the public sector. In any case, the private sector already has specific plans to invest around 1.5 trillion pesetas in 1981-1982 in its main spheres of activity, as part of the overall upswing in investment.

Lastly, we should keep in mind that the current strength of the dollar and the prevailing high interest rates both in the United States and on world markets are unquestionably factors adversely affecting investment in Spain.

8743

CSO: 3110/137

## KOCATOPCU ASSESSES PRIVATE SECTOR POTENTIAL, ROLE

Istanbul DUNYA in Turkish 22 Jun 81 p 1

[Text] Industry and Technology Minister Sahap Kocatopcu said that the private sector would prove itself in a few years and that there would be a question of turning over certain parts of the SEE [State Economic Enterprise's] to the private sector.

Speaking as guest of honor at graduation ceremonies for students of the Specialized Business Program of the Business Institute of the Istanbul University's Faculty of Business, Industry and Technology Minister Sahap Kocatopcu discussed management's place in Turkey's economic development and the points which require attention. Stressing that certain teachers of management majors could not resolve their conflicts, Kocatopcu said, "Some of them advocate the private sector and others, the SEE's. Yet the private sector and the SEE's should not be considered separate." He continued as follows:

"The problem originated in the idea of commerce from Ottoman times that it takes no skill. Ataturk encouraged Turks to engage in commerce. When they were unsuccessful, he set up Sumer Bank and Eti Bank to be turned over to the private sector when it was able to prove itself. Unlucky as to management, however, these organizations were subject to political pressures, bringing them to their present state."

Then noting that successful private sector managers had formed a structure of their own in which they had flourished for the past 20 years and that management was a very important, very difficult job today, Kocatopcu pointed out that managers today have to keep their balance in very changeable circumstances. He said:

"A manager today must put national interests above personal and group interests, and must be able to give the public inexpensive, high-quality goods. While answering the demands for profit of the business owners, who always want higher profits, he must also know how to protect the interests of the pyramid that culminates in the worker. If he swings too far either way, the balance is lost, and lost balance creates the labor discontent that culminates in anarchy."

Sahap Kocatopcu said that managers must plow profits back into the business, thus providing jobs for the jobless, and that this manager also had to contribute to social and cultural development within the framework of the factory. He said that however successful a manager in providing low-cost, high-quality services, his

greatest service would be in keeping inflation away. In addition to the fact that business provides ample taxes to its most natural ally, the state, Kocatopcu also stressed that the people who take on the tasks of mobilizing for special government tasks such as exportation choose the hardest job in Turkey.

Concluding his speech with some good news for Turkey, which needs professional managers, Kocatopcu said that the Advanced Management Institute at Gebze, founded with the aid of the Ford Foundation but unable to be completed for years for various reasons, would soon open as the Marmara Research Institute. "Construction of this institute is about to be finished. We are about to get the 60 million liras we need. We will open the Advanced Management Institute for service through state and private-sector cooperation," he said.

The ceremony, at which 141 students received diplomas, was opened by a speech by Prof Dr Kemal Tosun, director of the Business Economics Institute, who said, "Our age is an age of management and we badly need an educational system to answer the needs of this age." He said:

"Even developed nations have a shortage of trained managers. The major reason for this is the dizzying development of economic and social conditions. The way to get on top of events is to be strong in the training of competent managers. Turkey has become a nation today where all kinds of social, economic and political problems are converging."

Meanwhile, graduation ceremonies were held day before yesterday at the Istanbul University Faculty of Economics.

Opening the ceremonies held at the Istanbul University Central Building, Faculty Dean Prof Dr Nusret Ekin described economists as "each a doctor of society who diagnoses and cures society's ills."

8349

CSO: 4654/69

## MINISTER ANNOUNCES MEASURES TO PROMOTE TOURISM

Istanbul TERCUMAN in Turkish 19 Jun 81 pp 1, 14

[Article by Nursun Alev]

[Text] Ankara--Tourism and Information Minister Ilhan Evliyaoglu said, "Tourism will be the most profitable, the most productive sector in 5 years. For this reason, I am inviting local and foreign investors to the tourism sector."

In an interview with a TERCUMAN reporter, Evliyaoglu said that "tourism in Turkey had not flourished up till now because it has been closed to foreign capital and there have been no encouragement measures" and that "countless measures have been taken for the development of tourism and the results will be seen within 5 years."

## Encouragement Measures

Evliyaoglu said the following about encouragement measures:

"The same encouragement measures applied to exports will apply to tourism. Investments in Turkey may be up to 100-percent foreign capital, nonsecured commercial loans will be used for touristic investments in Turkey and foreign tourist entrepreneurs will be able to get 99-year leases on land in Turkey.

"Every sort of bureaucratic obstacle to foreign capital will be eliminated. Such requests will be handled quickly and directly by the Foreign Capital Office in the Prime Ministry and the Ministry of Tourism.

"Our local investors will be given credit for up to 20 years and at very low interest through the Tourism Bank. Earnings from tourist investments will have a 20-percent to 30-percent exemption from income and corporation taxes. All of these possibilities are creating an attractive climate for tourism investments."

Noting that 1981 was a transition period for tourism, Evliyaoglu said, "As a result of a serious effort and development of our budget resources in the next few years, we will make tourism the most productive, most profitable sector, contributing significantly to our economy."



## New Efforts

Evliyaoglu pointed out that "yacht tourism is being developed and a 400-million-lira investment is planned to make Istanbul into a convention city in the next few years, with the state to provide infrastructure and extensive incentives to the private sector for the rest."

Evliyaoglu gave the following information on new endeavors:

"Tourism will be concentrated in specific regions, on our southern and Aegean coastlines, instead of throughout Turkey. We are placing special importance on Antalya in this connection. We have accelerated the Southern Antalya project and will have accommodations for 25,000 here within 5 years. Our 1981 budget allocates 1.23 billion liras for this work.

"The Dalaman Airport is in the finishing stages. When the airport becomes operative at full capacity in a few years, Koycegiz, Mugla and Dalaman will become very important."

## Retirement Fund Hotels

Noting that foreign capital has begun to show interest in tourism and is offering many proposals, Evliyaoglu added, "The Hilton, Sheraton, Etap Hotels chain is bidding to run the Retirement Fund hotels also and this will be settled in a few days. Also, the Tourism Bank and Turkish Airways are planning to cooperate in charter trips next year."

## 21st in Tourist Spending

Meanwhile, the MEDITERRANEAN NEWS AGENCY reported that Turkey's standing in international tourist spending is 21st among 24 European nations, with \$95 million.

A study by the World Tourism Organization revealed that West Germany is first, with \$17 billion, followed by Britain with \$4.497 billion and that the Greek sector of Cyprus, Malta and Iceland are below Turkey.

International tourism reportedly reached 285 million worldwide in 1980, 208 million being in Europe, and Europe was the principal buyer's market of international tourism.

Authorities said that the growth of national tourism caused by the energy crisis which began in 1974 had limited mid-length trips, but that the flood of tourists to Mediterranean nations beginning between 1967-1971 was still continuing.

8349

CSO: 4654/57

## GOVERNMENT REPORTEDLY TO SEEK EARLY EEC MEMBERSHIP

Istanbul TERCUMAN in Turkish 19 Jun 81 p 9

[Article by Nur Batur]

[Text] Ankara--Turkey has entered a new stage in its relations with the Common Market as a result of the "decision to apply for full membership after democracy is restored," which it took in an effort to prevent the ups and downs in its relations with the EEC and which was reported officially to the community on 5 June.

Internal preparations for full membership were reportedly stepped up to give credence to this decision which was made in March following the briefing of the National Security Council [NSC] and it was decided to form an EEC coordination council under the Prime Ministry.

The council, to consist of representatives of the Ministries of Foreign Affairs, Commerce, Industry and Agriculture, the State Planning Organization and others, is expected to begin its endeavors next month.

Meanwhile, the decision to "initiate full membership and internal endeavors," adopted to remove uncertainties in Turkish-EEC relations, is described by sources close to the EEC as itself vague.

Sources close to the EEC point out that Turkey has adopted resolutions along these lines before and say:

"It is necessary to wait and see what Turkey's relations with the EEC will be. It is impossible to say to what degree this resolution adopted by the NSC will be applied after Turkey returns to democracy. Taking all this into account, Turkish-EEC relations are still uncertain."

The same sources note that Turkey plays an important role within the NATO alliance and that it is the desire of the EEC nations that it also take its place within the Western economic system, but point out that Turkey's economy is not yet ready for full membership and that Turkey would suffer from early membership.

Diplomatic observers, however, say that the EEC is delaying Turkey's full membership as long as possible because of the oil crisis and unemployment of recent years.

The EEC official pointed out in regard to Turkey's membership that the community was growing every day, that after Greece, Spain and Portugal would be joining in a few years and that "Turkey's membership would present certain problems, especially in agricultural products." "The community cannot swim in a sea of oranges," he said.

Turkish authorities respond to these anxieties expressed by sources close to the EEC by saying, "The community is expanding toward the Mediterranean, and Turkey cannot be left out of these developments, politically and economically."

#### Reactions to Turkish Membership

Reactions to full Turkish EEC membership are expected from Italy, Greece, France and Britain in particular.

It is said that these nations may react to Turkey's emergence as intercommunity competition in agricultural products against Italy, France and Greece and in textiles against Britain. It is noted, however, that Turkey's full membership will be accepted despite all these reactions.

Authorities say, "The EEC has already accepted Turkey's membership by signing the Ankara Agreement and joint protocol with Turkey. It is impossible for the EEC to go back on this by saying that the conditions have changed. Turkey will still seek within the community ways to eliminate economic differences."

The authorities pointed out that Turkey had reported to the partnership council held on 5 June that it would carry out its responsibilities to the community and that a 10-percent discount would be applied to Common Market products as of 1982.

8349

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## BODY ESTABLISHED TO OVERSEE STATE ECONOMIC ENTERPRISES

Istanbul MILLIYET in Turkish 20 Jun 81 p 3

[Article by Nilgun Tarkan]

[Text] Ankara--The government has decided that oversight of the SEE [State Economic Enterprise's] by the Prime Ministry is necessary and has drawn up a bill for this purpose. According to the bill, a "Supreme Oversight Council" will be formed, its chairman and members to be selected by the Council of Ministers. The council will have economic, financial, administrative and technical oversight and supervision of the SEE's. An "urgent situation" report will be submitted to the Prime Ministry by the Supreme Oversight Council concerning executive board members and other top-level administrators whose decisions are found to be causing losses to the SEE's and the Prime Ministry will undertake the necessary procedures.

## Organization

The draft states that the Supreme Oversight Council will be a corporate body attached to the Prime Ministry and notes that the organs of the council will consist of a chairman, members' council, expert consultants and experts. The "members' council," comprised of the chairman and 16 members, is the highest supervisory and decision-making organ of the council; qualifications for the chairman and members are stated as follows:

"To have a higher education, to have experience at a high level of administration or technical management in economic, financial or technical fields, to have 15 years' service in the SEE's or other state establishments or have at least 3 years' experience as an expert consultant to the council."

To be an expert consultant, it is considered necessary to have worked as an expert for the Supreme Oversight Council for at least 3 years. According to the bill, the chairman will be appointed by the Council of Ministers upon the prime minister's proposal. Members will be appointed by the Council of Ministers also, from among the expert consultants or from outside the council upon the prime minister's proposal.

The chairman and members of the Supreme Oversight Council will be paid at the top civil service salary rate and supplemental indicator.

The powers and duties of the Supreme Oversight Council as set forth in the bill are as follows:

"To have economic, financial, administrative and technical supervision and oversight of the SEE's.

"To examine the establishments, organizations, institutions and partnerships subject to oversight as to whether they are operating in compliance with the goals and principles set forth in the relevant laws and statutes, with regulations to which they are subject, with long-term development plans and programs and with management principles, as to budget compliance with facts, procedures with budgets and cost, balance sheet and final accounts with the period of activity; on this basis, to prepare annual oversight reports with comparative and rationale statements; thus to set forth the views which will form the basis for approval or rejection or general discussion by the legislative organ of the balance and final accounts and of the balance sheets prepared by the council.

"To report to the Prime Ministry by means of an urgent situation report situations in important matters in which investigation is deemed necessary.

"To make proposals to the Prime Ministry by means of the 'urgent situation' report concerning executive board members and other top-level administrators whose decisions are found to be detrimental to the organization."

8349

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## HIGH INTEREST RATES SEEN AS BANE OF ECONOMY

Istanbul DUNYA in Turkish 18 Jun 81 p 5

[Article by Dinc Tayanc]

[Text] While the controversy swirls on the capital market about interest rates, some brokerages are raising rates and others, along with the banks, are making moves toward lowering rates. Advocates of the need to reduce interest rates usually start out with the view that inflation has been "braked" or "halted" and stress that "continued high interest rates will go against development of the economy."

## Sezgin Bayraktar's View

Sezgin Bayraktar, director general of Eczacibasi Investment Holding Company, expressed his views in this regard, saying, "Brakes have obviously been put on inflation. It is widely held that interest rates should be reduced in parallel with this. I believe that raising interest rates in the present climate would go against economic development. Moreover, it is impossible to understand how those who themselves were advocating the need to reduce interest rates 3 weeks to a month ago should now seem to want to get involved in an interest war after so short an interval."

Stating that most important among the various reasons offered for "freeing," or in other words "raising," interest rates was to "protect savers against inflation and provide them real income earnings," Sezgin Bayraktar said, "After the brakes on inflation begin to take hold, it is natural to expect interest rates to come down, too. In fact, we have heard that certain banks are trying to do this."

## What Does Industry Say

Meanwhile, industrial circles, stressing that credit costs are already too high, say, "Starting another interest war now will further increase these costs, perhaps completely wiping out certain sectors which are already at a standstill, and will make the expected and desired revival of investments impossible."

Stressing that the last increase to 58 percent in "net" interest brought the "gross" sum to around 77 percent, industrialists say, "It is beside the point to debate what percentage of resources formed at this cost can be converted to credit or which industrialists can bear up under this burden."

As known, interest rates paid on savings by the banks at the moment are 50 percent "gross" and 37.5 percent "net." Industrialists, however, especially those without a bank or brokerage, complain that the impact of these rates on credit has been to raise credit interest to 80 percent.

Despite the pervasiveness of the controversy, widespread opinion, especially in banking circles, is that lower interest rates will be impossible right away or even in the near future.

8349

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## NEGATIVE IMPACT OF SSK LAW CHANGES EXAMINED

Istanbul CUMHURİYET in Turkish 25 Jun 81 p 5

[Article by Sukran Ketenci in the column "Worker's World": "SSK Law Is Changing"]

[Text] Reports on the changes to be made for the twenty-first time in the SSK [Social Security Organization] Law No 506 have once more brought the controversy over this matter before the public, like it or not.

Social Security Minister and TURK-IS [Turkish Confederation of Labor] General Secretary Sadik Side announced that amendments to the law had made it into a patch-work which no one except those with a great deal of expertise could understand and that efforts were under way to completely revise it. In addition to these long-term efforts, however, a bill was drafted to amend certain articles to eliminate the discontent created in the labor sector by the changes made by Law No 2422 which amended Law No 506. The "emergency bill," which would be the twenty-first amendment to the law, had reportedly gone to the Supreme Council for Legal Planning in the Office of the Prime Minister.

Speaking of Law No 2422, the subject of harsh reactions which caused a demand for the removal of certain persons on the TURK-IS Executive Board, TURK-IS President Ibrahim Denizci had brought a hiatus in the controversy when he announced that "Side promised us that it would be revised in June." Newspapers were publishing reports on the nature of the revision bill, and Side had later made a statement.

Newspaper reports on the bill said that changes would be made in the inadequate provisions concerning payment of employer premiums, one of the major causes of SSK losses. The bill called for a 10-percent fine for the first month if premiums were not paid on time and a fine at the interest rate which state banks applied to 1-year credit accounts for subsequent months. Mr Side had not mentioned an amendment to play a more effective role in collecting the billions that the employers have not paid to the SSK. Was the idea of emergency measures in this regard abandoned? There seems to be nothing on the agenda at present about effective use of SSK funds, much less the collection of the employer debts which could save the SSK from bankruptcy.

It was announced that work performed prior to age 18 would be assessed by means of the premium account. Work performed prior to age 18 will not be added to the year figure, thus preventing retirement at age 43. However, again Side did not mention anything in his announcement about "what earned rights as related to the past will

be." Yet according to reports on the earlier bill and widespread opinion in TURK-IS circles, "earned rights" of work performed prior to age 18 prior to 1 April 1981--that is, to Law No 2422--were still expected to count towards retirement.

The minister of Social Security announced that the retirement rate would again be raised to 70 percent of wages. However, the number of days for which the premium would have to be paid for the 70-percent rate had been raised from 5,000 to 7,400. In view of the new premium conditions, can we say that workers have in fact won the right to retire at 70 percent? How many workers would you say there are in Turkey, which still has more than 3 million workers according to the statistics, who have had a chance to work steadily and deposit SSK premiums for 7,400 days? Let us quote part of a speech made at the last SSK conference by the Istanbul railroad workers' union president, Zafer Boyar, on this point:

"In my branch of labor, the railroads, people cannot even get temporary jobs after age 35 or 40. As if piecework and seasonal work in the construction sector, which has always created job opportunities in the country, lasted 360 days.... Or even as if the premium for every day worked in private-sector small businesses were deposited in full...."

Then the Turkish factor has to do with a worker's days-worked premium to be deposited with the SSK. If the bill is passed in this form, the only beneficiaries of the 70-percent pension will be employees of certain incorporated State Economic Enterprises and private-sector workplaces which have job security. Aside from assessing the real labor of the job, the proposal ought to base the 70 percent on the labor year, taking into account the Turkish factor, unemployment, job security, seasonal construction and piecework. It may be proposed that increases in the number of premium days paid should count toward extra points above 70 percent. Otherwise, it can have no meaning other than a special right from which the large majority of our workers cannot benefit.

8349

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## NUMBER 3 COMMISSION REPORT SURVEYED

Istanbul CUMHURIYET in Turkish 22 Jun 81 p 5

[Text] Ankara (ANKARA AGENCY)--The "Number 3 Commission," formed to define TURK-IS [Turkish Confederation of Labor's] "views and proposals" on the changes to be made in Laws Nos 274 and 275 on unions and collective labor agreements, compiled a report and submitted it to the executive board. The report, which is to be discussed in a special meeting of the TURK-IS Executive Board on 24 June, proposes that collective labor agreements, currently concluded every 2 years, be concluded once every three years at the national level.

The report by the Number 3 Commission, headed by Orhan Ercelik, notes the need to preserve verbatim the workplaces not currently allowed to strike and "to allow no opportunity to expand them," and calls for solution of disagreements which arise at these workplaces by the Supreme Arbitration Council. The report advocates revision of the Supreme Arbitration Council to enable union oversight to be conducted by means of existing laws. It is noted that the oversight problem may be resolved by "writing the unions' three checks into law." The report also contends that the wages of workers who went on strike in the past period should be paid by the employers in cases where "rights violations" are confirmed.

The report contends that collective agreements should be concluded at the national level instead of having "labor division collective labor agreements" and says that the parties to collective bargaining should be "the labor and management organization representing the most members." It is proposed that the chambers of commerce and industry negotiate on behalf of employers not represented in the confederation of employers. It is pointed out that strikes may be regional or general. The report calls for designation of the authoritative union in the workplaces to be made by a commission composed of two inspectors from the Regional Labor Directorate and a lawyer for each of the sides. It proposes inclusion in the "statement of purpose" of provisions on the punishment of the perpetrators in the event of impropriety and the cancellation of collective labor agreements based on such.

As to the distinction between workers and civil servants, the TURK-IS Number 3 Commission's report contends that those employed "at places where the service absolutely requires public authority" should be designated civil servants and all others, workers.

8349

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## BRIEFS

VENIZELOS' 'LIBERAL PARTY' BLASTED--In a communique yesterday entitled "the demise of valor," EDIK comments on the reestablishment of the Liberal Party by Deputy Nikitas Venizelos. "EDIK deplores this regrettable deviation. It especially deplores the political "demise of valor that has arisen within its ranks," the communique declares. I. Zigdi's EDIK earlier relates that: "Nikitas Venizelos for some months had been the victim of a plot for a so-called Center "unification." Since that unification failed to materialize he announced that he was creating a liberal party to visibly strengthen the endeavor to fragment the Center.... The inconsistency of his position is so obvious that it needs no comment. Still, here is Nikitas Venizelos, heir to such a great reputation, associating with numerous betrayers of Venizelism, i.e., with 1965 renegades, parties to dictatorship, innovators and exponents of unlawful interests that he had personally denounced in Parliament. He will now come forth as "the leader" of a party bearing the misleading name of "Liberal Party" to cash in on the nostalgia of some romantics for a great past...EDIK." [Text] [Athens ELEVTHEROTYPIA in Greek 13 Aug 81 p 1]

CSO: 4621/84

## DESCRIPTION OF NEW PCI FACTIONS

Rome IL SETTIMANALE in Italian 21 Jul 81 pp 9-10

[Article by Paolo Nasso: "Has Harlequin Entered Communist Headquarters?"]

[Text] For the first time ever the party press has leaked a relatively variegated panorama of the conflicting positions within the PCI: The center, the right, the half left, the extreme left. Here is the communist geography in relation to the crisis of the Berlinguer line.

If the ghost of Mitterrand disturbs the dreams of Marchais (whose stature has changed but who at least is in government) for Enrico Berlinguer, following the disastrous election returns of 21 June, the leviathan to be exorcized is once more called Bettino Craxi. And over everything there is the threatening shadow (it is believed to be the first time in the postwar history of the PCI) of an extraordinary congress that is earlier than scheduled.

The apparent abandonment of the strategy of the historical compromise, the formulation--which is ambiguous and confused as far as the rank and file is concerned--of alternative political proposals, have done nothing but favor the balanced reformism of the socialists. The prospect is of being overtaken, a role, that of a tiny Marchais, which in the future (which might not be too far off) could possibly touch Berlinguer or his successor to the Secretariat of the PCI. Problem number one: How to continue to control the Left: By "inflating" the reformist flight toward the PSI [Italian Socialist Party] and to become enlightened, decentralizers of democracy and also a little social democratic, without renouncing Leninism?

There are those who give assurances that it is in these terms that the coming events (and particularly the internal ones) of the Italian communists should be observed. A step backward is needed to understand. The strategic picture that emerged from the last national congress in 1979 was a broad disappointment of the expectations both of the rank and file and of the middle-level leadership of the party: An old political-programatic platform, a "tired" reproposal of the historical compromise. Someone spoke of sclerosis of the leaders who followed Berlinguer; steps had to be taken to counteract the growing criticisms from the rank and file that rose toward the summit.

The later changes in the PCI political line burst forth in the "second Salerno shift." On 27 November 1980, the communist leadership suddenly abandoned the line of compromise and "national solidarity" (thus reversing the conclusions of the congress), and once again launching as an alternative to the DC a "government of honest men," whose "everyman" flavor, exploiting the emotional wave born out of the earthquake in the south, was designed to cover its political fragility. Bruno Visentini, president of the PRI [Italian Republican Party] arrived on the scene at the end of the year to give Berlinguer a hand with his proposal for a "government of experts": In the PCI it was hoped that the democratic alternative proposed by the secretariat would finally become more specific, would be reconciled with other sectors of the political scene, and finally produce a platform. Two proposals are better than one, above all if the alternative is that of Craxi's "grand reform."

But at the end of January the definition of the phantom "democratic alternative" suffered another standstill. This time Berlinguer's difficulties came from the party's executive: "There is no alternative if we do not resume the dialogue with the PSI," said Giorgio Napolitano and Pietro Ingrao, who for the occasion maneuvered the pincer movement against the secretariat. Franco Rodano, Berlinguer's nemesis, arose: "No agreement with the socialists: In fact they are the enemy to be beaten." Thus, for fear of finding himself for the first time in a minority in the leadership (or facing a fairly strong opposition), Berlinguer arrived at a compromise. He reviewed his positions concerning the socialists to the point that he personally attended the PSI Congress at Palermo in April.

The democratic alternative thus seems to take shape as a reproposal of a new preferential relationship with the PSI: With this interpretation, the majority of the rank and file awaits the results of the Central Committee which is to meet at the beginning of July. But the report by Alessandro Natta, number two man in the PCI, very loyal to Berlinguer, once more brings everything into question: "Craxi is ambiguous; to favor the lay position does not mean being progressive; the democratic alternative is not an alternative of the left." Spokesman for the Secretariat Natta, in a later statement, will moderate the polemical tones regarding the socialists, but once more will disappoint the expectations of those who wanted a definitive clarification of the party line. Not only that: Berlinguer's appeal "to the most open, democratic and popular forces of the DC to fight against the line of the preamble" had appeared as a shameful reversal of direction toward Zaccagnini and Andreotti, that is, once more toward the historical compromise.

Spokesman for this state of uneasiness within the PCI was the right led by Giorgio Napolitano, who asked (also for obvious reasons that did not emerge officially) for an earlier scheduling of the congress deadline to next year while, according to the statute, the meeting was supposed to take place in 1983. The neo-Amendola followers were convinced that a reshuffling of the party's political and ideological cards would lead to necessary clarification of the political line, perhaps definitively sanctioning the opening toward the PSI that the Napolitano group hoped for. Berlinguer's reaction: "Party tradition does not permit taking that possibility into consideration: And furthermore, it is the executive which, day by day, corrects and modifies the party line." The closed position of the secretariat, however, was not sufficient to stem the tide of ill feeling existing today in the PCI. So much so that the party press itself, which is usually anchored in the official reports, this time leaked a panorama of different opinions, which often conflicted with those of the leaders.

Therefore, it is important at this point to understand the redistribution of the internal geography of the PCI in view of the prospect of a loosening of the rigid cordon sanitaire around democratic centralism.

#### The Neo-Amendola Right

Considering the technocratic and economist-dominated wing of the party, [this group] has acquired considerable power in recent years. Alongside Napolitano, the outstanding names are those of the economists Napoleone Colajanni and Claudio Napoleoni, of Senator Paolo Bufalini (who maintains excellent relations with the Vatican) and, even though in a less important position, in relationship with the secretariat, of Gerardo Chiaromonte and Emanuele Macaluso. The neo-Amendola right favors closer relations with the PSI. On the economic plane, it proposes a compromise with capitalism in which communism becomes reconciled with a market economy. For this reason it is favored by large sectors of public and private industry, by Agnelli and Visentini, and the powerful lobby of Enrico Cuccia.

#### The Berlinguer Center

This is the "Doroteo" group of the PCI. The more representative men are Alessandro Natta, Ugo Pecchioli, Edorado Perna (senate group leader), and Ferdinando di Giulio. The latter maintains contacts with the DC left and particularly with the Andreotti group. Very loyal to Berlinguer are the two major representatives of the party press: Luciano Barca, editor of RINASCITA and Alfredo Reichlin, of L'UNITA. Also a Berlinguer follower is Achille Occhetto, who at first was a follower of Pietro Ingrao. Architect of the political line of the entire group is Franco Rodano, ideologist and Berlinguer's gray eminence, inventor of the historical compromise, one of the bitterest adversaries of the leftist alternative and socialist reformist.

#### The Left, or the Ingrao Group

Even though he controls very few votes within the Central Committee, Ingrao's position within the PCI is like Moro's was in the DC. In recent months he suffered a certain hemorrhage of power and of men in favor of other groups, but within the PCI, when Ingrao is mentioned, no one dares comment. Through the CESPE [Political and Economic Research Center (of the PCI)], Ingrao proposes a change of the system through institutions, a process by which the party and its hegemony should take a position of leadership.

#### Pro-Soviets

This is a small group, but it is compact and very powerful in economic terms since it monopolizes all the party's financial channels through Gianni Cervetti, ex-head of the organization. The group is headed by Armando Cossutta, the always vigilant and attentive "eye" of the Kremlin in Communist Party headquarters, ready for the most rigid defense of pro-sovietism and democratic centralism.

Some "free agents" can be added to these four groups even though they are of considerable prestige such as for example Giancarlo Pajetta. Pajetta has always mediated between the Amendola right and the secretariat. Recently he supported Napolitano's proposal to schedule an earlier congress. He maintained that on the wave of the socialist success in France, a PCI initiative could aim at presenting Berlinguer in the guise of Mitterrand, that is, as the new man of the Italian Left, stealing this role from Craxi.

## PSDI'S LONGO EXPRESSES PESSIMISM ON NEW GOVERNMENT

Rome L'ESPRESSO in Italian 9 Aug 81 p 12

[Interview with Pietro Longo, secretary of the Italian Social Democratic Party, by Guido Quaranta, time and place not given]

[Text] Pietro Longo is pessimistic on the future of the government. The following are the reasons:

Rome--"I am opposed to traumatic solutions, but I doubt that the Spadolini Government will last through the natural term of the eighth legislature. I have, rather, the impression that it is not capable of lasting long." Pietro Longo, secretary of the PSDI [Italian Social Democratic Party], is rather cautious on the country's political prospects. In his opinion, a "difficult autumn" is approaching.

Question: New early elections in sight?

Answer: I do not prophesy on times. But this danger exists and it stems from the dissatisfaction spreading in the major parties of the majority. The DC [Christian Democratic Party], estranged from the prime minister's headquarters and now irremediably exhausted, does not accept the fact that the socialists are taking over leadership of the government and, any time now, it may unload its internal crisis on the government. The PSI thinks that it has to play its cards and it is aiming at assuming a heavier role, the role of the country's guide.

Question: What about you?

Answer: It must be made very clear that we do not intend to submit passively to the initiatives of others. We shall remain in the government only if it will do something concrete. We are not interested in filling a few posts, in order to survive.

Question: Nevertheless, Spadolini is regarded as another Giolitti.

Answer: His capability to govern must still be demonstrated. For the present, he has shown himself to be an eloquent man and, when one talks with him, he always gives the impression that he is writing a memoir diary, as Alcuin, the learned biographer of Charlemagne, did. Moreover, it is no simple task to be prime minister



supported by a small, nondetermining party and a coalition that sometimes displays different concerns and interests.

Question: Is there any decision made by your allies that does not satisfy you?

Answer: The plan to levy a property tax on dwellings, proposed a few days ago by Socialist Minister Formica. It is not included in the programmatic agreements and it is a mistake. Investments in building must be facilitated, not penalized. Then, the sliding of the revision of fair rent makes sense only from the point of view of a policy of serious containment of inflation in which all the citizens participate, including labor unions. Otherwise, it is unacceptable. But the social democratic ministers, not "my" ministers, as L'UNITA chides me for calling them, will keep watch.

Question: Tell me, Longo, do you not feel that Craxi's PSI is putting your party in the shade?

Answer: Nonsense. The reformist choice made by the socialists in their last congress confirms that we were and are right in indicating in democratic socialism the only prospect for the workers. I am pleased that comrade Signorile, or rather Minister Signorile, once on leftist positions, has also reached this conclusion. Sometimes even Berlinguer draws close to our ideas.

Question: That is to say?

Answer: In his recent interview granted to REPUBBLICA, speaking of Poland, he admitted that the single party conception was wrong and, groping in a search for a third course for Italy, he took note of the successful achievements reported by European social democratic parties.

Question: Berlinguer says, however, that they are something serious, but not the PSDI.

Answer: I challenge him to tell it to me to my face, in front of a television camera, if Zavoli allows it. I shall show that we are just as serious. Also why, differently from the communists, who have gone from the idea of Popular Front to national solidarity and from repudiation of the Atlantic Alliance to its acceptance, and then vice versa, we are a little more consistent. Choose the day and time for a confrontation. We are available.

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CSO: 3104/348

## PSDI'S LONGO ON PRESENT, FUTURE POLITICAL SITUATION

Rome IL SETTIMANALE in Italian 7 Jul 81 pp 12-15

[Interview with PSDI Secretary Pietro Longo by Andrea Ronchi: "I Was Liquidated? You'll Find Out..."]

[Text] Following 21 June election victory, PSDI secretary promises, "My political reaction will be very tough. The vote has demonstrated that it does not pay to use scandal as a weapon." In this interview Longo also speaks about the Spadolini government, of the DC defeat, of judicial power. And, naturally, of Masonry.

He is smiling, relaxed. But he is also aggressive and has a great desire to counterattack. He was the Great Defendant during the election campaign; the fixed target of polemics, attacks, of insinuations. People referred to "the party of Tanassi and of Longo." The former was involved in the Lockheed scandal, the second was on the lists of Licio Gelli, a trademark of infamy.

Pietro Longo, who is yet to mark his 46th birthday, secretary of the PSDI [Italian Social Democratic Party] since October 1978, has come through the storm unscathed. The election returns proved him right. IL SETTIMANALE interviewed him in order to get a preview of the future, a diagnosis of the present, and some reflections on the recent past.

Question: What is changing, or what could change with the Spadolini government?

Longo: Spadolini has always stressed economic and planning subjects. We would like to see whether this government will engage in a specific dialogue on these subjects with all forces of production.

Question: Certainly that is important, but I would like your political view...

Longo: The most important message we can give the country is this: After 35 years we have finally achieved a situation of alternation in government leadership.

Question: Doesn't the barely-restrained communist enthusiasm smell a bit?

Longo: I am convinced that that enthusiasm was mainly pre-electoral. I mean: The PCI wanted, and had to demonstrate, the defeat of the DC [Italian Christian Democratic Party]. But in the next few weeks, when there will be a discussion of economic and social problems, probably the communist attitude will change.

Question: Don't you see a family relationship between Spadolini and Visentini, between this government and the "honest" (please be sure to put that in quotes) government proposed by the PRI [Italian Republican Party] president?

Longo: I don't think so. The position of Spadolini has been very firm. From the beginning he moved in the five-party direction, and the platform agreed upon with the coalition parties is very clear.

Question: Let's discuss the election, as is proper. Hon Longo, why did you win?

Longo: I believe there are many reasons. First of all, because an important part of the Italian public has understood how provocative and false were the attacks against me and my party. In the second place, I believe that the voters understood that it was necessary at this time to defend the rights of the human individual and individual liberties. Naturally those same persons want those guilty of eventual crimes or of illegal administrative acts to be punished. But they are decisively against mass criminalization. In the third place, I believe that the PSDI political line was rewarded.

Question: Who lost in the elections?

Longo: Some aspects of the returns certainly were contradictory. However, it seems to me that it can be said that we are faced by an objective crisis of the DC, which held its own in Sicily, but dropped sharply in the large cities where the voting was more liberal, not linked to friendship and patronage. Then there is a very heavy loss by the Communist Party throughout the south. But the PCI held its own in the large cities where it played the role of a leading, or hegemonic, force of the leftist alliance. And this poses serious problems for social democrats as well as socialists. I believe that from now on we must move with greater vigor toward an agreement, on the local level, between socialists and lay democracy, creating a situation in which this kind of accord would develop a capacity for leadership.

Question: Moderate public opinion criticized you, even in the recent past, of having conducted the election campaign under the sign of anticommunism and of having later developed linkages with the PCI. In your statements recently it seems there is a commitment to reverse this tendency. Is that true? Do you promise not to do it any longer?

Longo: I want to be very clear on this point. We will do as much as possible to make the local political picture the most harmonious possible with the national government. Regarding the past, in 1976 we chose a line of local independence, also for the purpose of overcoming certain difficulties that had developed in relations with the DC in the regions and in the cities. Above all, we believed that creating alternative situations might be a positive move.

Question: I repeat: What about today?

Longo: Above all we are making an effort to reaffirm and consolidate the understanding with the socialists and the lay forces. Naturally, everything also depends on choices made by others, and above all the socialists.

Question: As soon as the election returns were in, you said with a tone of defiance: They wanted my head, now I will ask for the head of Petroselli. Was that a promise? A threat? Or merely an offhand remark?

Longo: A political assessment. We will pose the problem of the candidacy of a noncommunist mayor for the city of Rome.

Question: Will you engage in an all-out battle?

Longo: We will fight with great determination.

Question: I hope with the needed consistency. Excuse me: That is not a lack of confidence. But there is a tradition of inconsistency among the socialist forces. I ask myself whether Mitterrand's decision to bring four communist ministers aboard does not pose the problem of an "S factor." How much confidence can one have in socialist promises?

Longo: One moment: The French situation is very different. Mitterrand will head the French government for 7 years. Furthermore, it seems to me that the French Socialist Party has imposed conditions on the PCF [French Communist Party] that will destroy it politically...

Question: This also was the presumption of the DC headed by Aldo Moro...

Longo: But the power relationships were very different. Having the absolute majority, the French Socialist Party has demanded Marchais' capitulation. And I ask myself what the French communists will tell their voters, now that they have reversed their position on Afghanistan, on Euromissiles...

Question: Be careful, Hon Longo, the PCI has adopted these positions. This means that if Craxi were to go to Palazzo Chigi...

Longo: You would have to ask Craxi. I can tell you what I think. My idea is that in Italy conditions are different from those in France. The power relationships are what they are: A government of the left in Italy would inevitably be run by the PCI. Our objective must be that of a close alliance among the lay and socialist forces that would favor their electoral growth, and the simultaneous redimensioning of the PCI.

Question: You said that the Christian democrats lost. But did the DC or "this" DC lose?

Longo: One thing is sure: This DC lost. It is difficult to say whether another DC would have lost more or less, or even would have won. This one lost.

Question: In your opinion what was the reason?

Longo: Well, there are many reasons. The party is weakened, and it did not know how to renew itself. It demonstrated an excessive weakness in political leadership. And then, even in this affair of the Masons, it made ambiguous choices.

Question: In what sense?

Longo: At a time when it no longer had the support of the Church, it demonstrated that it was a profoundly confessional party. What other explanation can there be for the incompatibility between party membership and membership in the Masonic organization? For a lay party, which (very insistently) the DC has maintained it was, there should be no limitations of this kind...

Question: Then let's talk about Masonry and about P2. What have these elections demonstrated?

Longo: That use of scandal does not pay. Because the people are more mature than is believed, and because they are tired of being told about a scandal on the eve of every election. Last year the PCI based its election campaign on the Donat Cattin-Cossiga case, this year on the P2. This means that the PCI cannot make serious political formulations.

Question: Leonardo Sciascia has said that this republic is governed by judges. You were following the developments of the P2 investigation: You saw that already a battle between the Rome, Milan and Brescia prosecutors had broken out. Is this an oligarchic government, or is it (in a more banal sense) a battle among aspirants to the captaincy of the ship?

Longo: I would say that there are some groups (fortunately small) of judges who are strongly influenced by the parties. Therefore, there is a problem of the independence of the courts. And there is also, which is being increasingly noticed, the problem of the responsibility of judges: Something must be done in this regard, at least in order to insure the functioning of the disciplinary mechanisms already set forth. Specifically regarding the conflict that has developed around the P2 affair, the court of Cassation will render its judgment. It seems to me that the Rome prosecutor's office moved with determination to establish the penal responsibilities of Gelli and some of his friends.

Question: The Rome Prosecutor's Office has advanced the theory of a crime involving fraud perpetrated by the P2 leaders. Do you, Hon Longo, feel yourself more defrauded by the judges who did not respect the requirement of secrecy during the investigation, by the parliamentary committee or by anyone else?

Longo: As secretary of a party, I feel that I was damaged above all by the political polemics. This can even seem to be taken for granted, but political adversaries behaved toward me in a way that was indecent, and they were imitated by a certain section of the press that was increasingly subservient to the PCI. My political reaction will be very tough.

Question: I return to the offhand phrase by Sciascia. Ten years ago it was said that the trade unionists ran Italy; today it is the turn of the courts. Whose turn will it be tomorrow?

Longo: Look, my impression is that the courts will wield considerable power for a long time. However, I do not believe that the military harbor power aspirations or plans: Fortunately a military leadership class has been consolidated in Italy that is at the full service of the democratic state: And this was shown by the behavior of the generals who were on the P2 list.



Question: But will democracy be able to defend itself?

Longo: That is another problem. The system in general has deteriorated. I agree with you that the institutions are weak and fragile, and that corrective steps must be taken.

Question: With what instruments?

Longo: Bettino Craxi proposes institutional reform. It seems to me that this is worthy of consideration. Specifically, it is necessary to change the election system, to accelerate parliamentary procedure, better organize the executive, rectify the role of the courts. Paradoxically, today, an assistant attorney general or a local police chief has more power than the prime minister.

Question: Do you believe the Italian problem will be solved by resorting simply to recipes involving constitutional engineering or isn't something else required?

Longo: For example?

Question: I don't know. It is up to you to tell me: You are the politician, I am a newspaperman.

Longo: Institutional reform in my judgment is already "something else" compared with the present system.

Question: That is low provocation, sir. If your name were not already on that list, would you today (as did Franco De Cataldo) be put on the P2 list?

Longo: Well let us say that certainly I would apply for membership in the Masons. I cannot refer to Lodge P2 because that is already dissolved, but certainly in the Masons.

Question: You often repeated in recent weeks that a witch hunt exists. Thus, we are in the depths of the Middle Ages. During the Dark Ages, in the darkest period of these 3 decades, who turned out the lights?

Longo: It seems to me obvious that it was the Communist Party.

Question: Only the Communist Party?

Longo: Mainly the Communist Party. However, it is true that there have been accomplices who were more or less conscious of what they were doing. There have been misunderstandings. There have been false steps. There has been foolishness. For example: I am still not able to focus the mystery of Piccoli's statements on the international Masonic plot against the DC. It is true that now the courts talk of personal threats that Piccoli is supposed to have received from Gelli, but it seems to me to some extent to justify the theory of an international plot. Unless...

Question: Unless?

Longo: Unless one wants to go so far as to believe that the operation conducted today is analogous to that of facism. Then the anti-Masonic persecutions would serve to favor the Concordat. Today there could be a revival of the historical compromise.

Question: You rule out the possibility that the lights were put out by a short circuit, due to an overload of political tension?

Longo: If there was a short circuit, it did not happen by chance. There was an effort to weaken the lay and socialist forces.

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CSO: 3104/340

## MEANING OF VAN AGT RESIGNATION DISCUSSED

PM271542 Amsterdam DE VOLKSKRANT in Dutch 25 Aug 81 p 3

[Editorial: "About-Face"]

[Text] Once again Christian Democratic Appeal [CDA] leader Van Agt has enriched the present government formation talks and surprised the nation with an unexpected about-face in his own inimitable style. He is resigning as his party's negotiator (and as its parliamentary group's chairman) without even a day's delay. His political position has been weakened, he writes in his eagerness to explain his decision. He makes it clear that this is primarily due in part to Lubbers' recent behavior and in part to the appointment of De Gaay Fortman, Senior, as informateur (with whom he will no longer have anything to do, through this decision).

It would be extremely premature to conclude from this that Van Agt has disappeared from the political arena, as has long--and sometimes keenly--been speculated. First, he is still available for the post of prime minister in the next cabinet. Even the grand coalition with the Labor Party and Democrats '66 could still come about, if conditions are more to his liking than they have been up to now. Second, he will retain his influence over the parliamentary group, even when on 9 September or earlier he chooses to remain as outgoing prime minister rather than resume his seat in the second chamber.

And there is another consideration. There are always other dimensions, whenever Van Agt is querulously, indeed even tearfully busy with a public retreat. Generally this is an indirect call to his extensive fan club within the CDA to give a serious warning to the professional politicians in the party through all the channels at the disposal of the PTT [Netherlands Postal and Telecommunications Authority]. There is even a slight possibility that Van Agt is treading the same road as Biesheuvel did in 1973--and he relinquished the most prominent position at the government formation negotiating table and did not intervene at all in politics after that. Through this a grand coalition under the leadership of Den Uyl became possible.

An angry disappointed Van Agt (who although indirectly, here involves the head of state) will remain a formidable power in the CDA, including the parliamentary group. The new CDA negotiator will feel (all the more so if his name is Lubbers)

the hot breadth of his predecessor on the back of his neck, and because of this his task will be pleasureless and will leave him very little leeway. This in itself is a reason for no very great optimism about a grand coalition.

The formation of a government still depends on the internal situation within the CDA parliamentary group. Only if it can find the courage--also with regard to the rank and file--to stand up to Van Agt can the only cabinet with sufficient social and parliamentary support be formed. And there is little prospect of a policy with allure, when the CDA half-heartedly and doubtfully hangs back from such an opening. This too gives little cause for high hopes.

CSO: 3105/171

## KEY ISSUES FACING PCE CONGRESS DEBATED IN PARTY JOURNAL

## Regarding Spanish Democracy

Madrid NUESTRA BANDERA in Spanish Jul 81 pp 37-38

[Article by Eugenio Orlando]

[Text] Our party is now paying very dearly for the implementation of the national reconciliation policy, which began in 1956, under a democracy which is being led, to a large extent, by the forces that formerly supported Francoism. What was even jubilantly accepted in clandestine times now seems quite disconcerting and suspect to us. We all know that socialism cannot exist without democracy. During that already distant period, the PCE's efforts to break the evil spell of two stubborn Spains, a spell which brought on a terrible war and caused us to lag behind as one of the most backward peoples in the world, were also met with opposition and resistance. And then some people were sent packing. Radical changes always produce strong tensions. This must be viewed from a dialectical perspective. However, the party as a whole adjusted to this situation with ease. The transition from the catacombs to public life was loudly welcomed. The night of "Red Holy Saturday" in 1977 filled the streets with joyful people. The shock came later, when the first democratic elections held since the civil war left us in a modest third place after years and years of fighting alone for freedom and democracy, regardless of the sacrifices, and to top it off, a good percentage of the people elected the same politicians who had held power during the dictatorship. This time Francoism survived not because of the weapons of Hitler and Mussolini, but because of the votes of the people ...!

Without trying to conceal, overlook or disguise the serious mistakes made in the last 5 years--the bourgeois press and some of our comrades scoff at them daily, trying to make us believe that they were nothing less than enormous blunders--and which must be criticized and corrected as much as possible, of course, I believe that the policy followed by the PCE during the so-called transition was basically the one that was approved by a majority in the Ninth Congress and which has proven to be most appropriate in the complex process which we are going through.

However, the party does not understand this. There is a great deal of confusion, which could not be otherwise. The communist parties of Western Europe, most of which have adopted a decidedly Eurocommunist course of action, have been evolving in societies with a long and deep-seated tradition of democracy. The PCE, which was a pioneer and solitary fighter for a civilized society during the black years of Franco's fascist



tyranny, is carrying on its shoulders the additional burden of laying the foundations for coexistence based on reason and negotiation, and not on the use of force, as the way to achieve a new, more balanced and just social order in a country which has existed under centuries of autocratic rule. On the other hand, if we consider the fact that Marxist thought is awakening after the long period of lethargy to which Stalinism condemned it, with the reality of so-called "socialist" nations being examined from a different perspective in an attempt to penetrate their backgrounds, a perspective that is far from the mystic adoration which awakened a thirst for justice in the masses, in the PCE's case we have to add another disturbing factor that requires a great capacity for understanding and dispassionately viewing events, which all of us in our party do not have. The unproductive conflict between Leninists and Eurocommunists is intertwined with the positions of those who fiercely attack the Moncloa Accords and the consensus and who consider them to be a shameful surrender without realizing that a formal agreement was reached among the main parliamentary parties in the case of the former, which is of exceptional importance for opening to workers the doors of exclusive middle-class government precincts, and in the latter case the UCD [Democratic Center Union] and CD [Democratic Convergence] were prevented from imposing a right-wing constitution on us, instead making it possible to have a Basic Charter that is even capable of implementing a socialist type of administration.

In a markedly individualistic country not accustomed to dialogue, many communists are not convinced that it may be possible one day to form a progressive social bloc, one composed of workers, farmers, intellectuals, artists, technicians and owners of small and medium-size businesses, capable of replacing the current middle-class bloc and turning our society around, a goal which the PCE would also consider unfeasible if solid democratic foundations were not already established. Some people at least think that would be possible, but only in the more distant future. They are consumed with impatience and would prefer powerful blows with impact, something that would shake and weaken the social fabric. A subconscious feeling of helplessness and contempt for the masses lies hidden deep down in such attitudes and this inclination takes the form of visionary leaders who win over timid, ignorant people to fight for "their" liberation. Citing the victorious liberation movements of Third World peoples against native despots as examples, they consider the effort of a party such as ours in a society such as Spain's to be pointless and miserable, with barely noticeable attempts to achieve goals that are neither well understood nor whose achievement is anticipated in the remote future, especially when we see our leaders, almost all of whom advocate the glorious policy of fighting dictatorship, smiling in luxurious surroundings at people who just yesterday were their enemies and cruel persecutors.

History, the teacher of life, will accurately record what is now happening. I am sure that as time goes on, the enormous undertaking to which the PCE is committed will continue against wind and storm, as well as the enormous sacrifice which it has not hesitated to endure to make it possible for democracy to ultimately triumph in Spain, without which workers and the overwhelming majority of the people are lost. Perhaps this sacrifice can be compared to the one which the Bolsheviks made in Russia. After attaining power, in order to preserve it in an incredibly difficult situation, they had to sacrifice some precious features of their ideological and material heritage to their enemies; in view of the NEP's [New economic policy] tremendous setback, Lenin was obliged to surrender to the Germans almost all of the Ukraine and its wheat fields in order to sign the much-desired peace treaty. They also had to sacrifice many other things, which required exceptional courage and a profound vision of the future.

PCE: Strong, United

Madrid NUESTRA BANDERA in Spanish Jul 81 pp 38-39

[Article by Jose Cabo]

[Text] Prior to the 10th Congress, we have been subjected to pressures aimed at dividing us into deliberately labeled groups, thus giving the impression that the PCE must exist as factions. As for me, I am satisfied with my classification of communist. I understand that only on the basis of our rights, obligations, responsibilities and discipline is it possible to tackle any internal contradiction and find solutions to the problems facing us.

It is significant that despite the monstrous assassinations in Almeria, despite the scandal of the Central Bank, despite the permissiveness toward those who tried to overthrow the government, despite the curtailment of freedom of expression and the autonomic process, despite our proposed membership in NATO, despite the tragedy of unemployment, etc., the party as a whole is not discussing these issues and is becoming mired in a deep internal split.

We have a weak PCE in Madrid. There is organizational weakness (mass resignations: 32,000 in May 1978, 21,000 in December 1979, 16,000 in June 1981 and a high level of absenteeism). There is political and ideological weakness (serious political neglect of grass-roots organizations and training of members). There is a weakening of our activity in mass movements and our direct links with the people (loss of convocation and mobilization capabilities, the image of party that is only interested in an "upward policy" without the necessary relationship with workers, the latter being mainly the job of a party which is identified as a whole with its policy).

Our party in Madrid is being undermined by greater and greater internal problems which are not conducive to party unity, often causing self-destructive situations. We did not hesitate to split over issues before the Second Congress of the Union of Workers Commissions. Unfortunate statements in the press and the regrettable spectacle of public quarrels between leaders have caused embarrassment. Lack of discipline is increasing and is unpredictable. Some members are rigid, while others are unruly. There is concern that, in the name of Eurocommunism and democracy, the results of this or that congress may not be respected, even at the risk of splitting the party and giving rise to a strange mixture of outmoded Stalinistic methods and others peculiar to petty bourgeois liberalism. The PCE is losing its image of seriousness, which workers have always had of it. Disillusionment has penetrated the party instead of serving as a stimulus for combating the people's disillusionment and lack of interest, caused by the policy of the right as a whole. In Madrid, internal disputes are not considered the result of a rich, broad debate of ideas and practices, but rather an expression of a thirst for power and political ambition, phenomena that are alien to our ideology and which are unfortunately on the rise.

And yet in present-day Spain, conditions are right for a strong increase in our influence. We cannot be satisfied with 10 percent of the vote. It is therefore necessary and possible to build a great Communist Party that will have deep social

roots and will be closely associated with the masses, a party that will responsibly foster mobilization and will be a focus for leftist unity and the organization of a progressive bloc capable of becoming a driving force in the fight for democracy and against attempts to overthrow the government, and in favor of the social, economic and political changes that will make it possible to seriously begin solving the country's grave problems, thus imbuing our policy of consolidation with a full democratic and class content in practice, in a process of affirming the marks of our identity.

One thing is clear: although the most basic interests of the working class are being attacked by the current government's policy, it has nevertheless demonstrated that it is deeply devoted to democracy. Our party must learn to combine those two realities into a revolutionary, transforming organization and awareness that will cut down the weeds planted by those advocating overthrow of the government. We know that crisis situations, such as the current one, do not in themselves alone lead to situations of social change and progress. That is specifically the historic function of a great communist party such as the PCE.

The 10th Congress must fulfill that purpose. In a sincere, respectful, intimate debate among communists, without denunciation and within a climate of great internal democracy, in the light of our reality and practices and requiring the same discipline of everyone, we communists will be able to make the changes needed to adapt our vanguard organization, without being affected by the siren songs of the bourgeois press. To combat sectarianism and disintegration, the party must be homogeneously united: above all, on the basis that it is communist. The intention to copy or to join with the Socialist Party, as well as dogmatism and radicalism, all tend to reduce the PCE to the role of follower or spectator.

We have to stop getting on each other's nerves. Members must regain their confidence and composure and make it impossible for pressure groups and blocs to operate in their midst. Preserving party unity, so that the logical diversity of opinion does not lead to factionalism, will guarantee our revolutionary and democratic character.

The party must regain its enthusiasm. We need leaders who know how to relate to the people, who can raise the awareness of our political mission and stimulate the party to do its job at the grass-roots level. Single-person methods of leadership and the concentration of power and duties in a few hands must give way to promoting the leadership of those who, besides being imbued with our policy, know how to assure collective work and to integrate, unify and strengthen the party.

A daily modus operandi is essential for such a great PCE! And it is just as necessary for NUESTRA BANDERA to cease to be the exclusive voice of a certain group. In this regard, it should be pointed out how destructive it is for the PCE's independence and our differences within the international communist movement to be used to spread anti-Sovietism and lack of solidarity with other communist parties and peoples fighting for their liberation. Taking up the attack of the middle class against the socialist camp and not expressing solidarity with the POLISARIO [Popular Front for the Liberation of Sagu el Hamra and Rio de Oro] Front, El Salvador, etc., are factors which contribute to party disintegration, disillusionment and division. Moreover, confusing the need to adapt the PCE to today's reality with

a renunciation of its extremely rich historical past not only implies the impoverishment of our ideology but a disregard for the valuable contribution of an entire veteran sector of the party, composed of tried and true communists.

This 10th Congress cannot begin or end with the "victory" of some communists over others. The only victor in this congress must be the PCE, together with the workers. It would be extremely harmful to continue to assume positions of self-justification and factional control, which only lead to paralysis and bureaucratization. On the other hand, reducing this debate to a question of merely changing the party's orientation would amount to not getting down to the whole root of the problem.

#### Perspectives of PCE

Madrid NUESTRA BANDERA in Spanish Jul 81 p 40

[Article by Justo Vila Izquierdo]

[Text] "The prospect of a socialist society is a result of present-day reality and is based on the conviction that socialism can be established in our countries (Spain and Italy) only through the development and full achievement of democracy." (Declaration of Livorno, July 1975)

There are some comrades, although I don't know how many, who are still devoted to the old idea of having a guide party outside our borders, on which we would model our own party, as though using a mirror. For these comrades, this "guide party" could only be the CPSU, that old CPSU with paralyzed structures, which refuses to change and could stifle any attempt to open the smallest window to let in a little fresh, invigorating air in its traditional direction.

But why are there still comrades who seek a party on the Soviet model instead of building their own in Spain day by day? Perhaps we will find the answer in Item No. 1 (International Policy) of the proposed platform itself, which states that "since the revolution of 1917, which was the first socialist revolution in history, the existence of the Soviet Union has been a basic factor in stimulating working-class struggles, weakening capitalism ...," and preceding that: "The Soviet Union and its military might have represented and still represent an undeniable obstacle to imperialism, as seen in the case of Cuba, Vietnam ...."

No one denies this obvious fact, but we cannot be so foolish as to open our eyes wide to the undeniable value of such actions and close them tightly in the face of facts such as the invasion of Czechoslovakia in 1968 and the more recent invasion of Afghanistan or the lack of personal freedoms in the Soviet Union.

Let's make no mistake, comrades, since we consider socialism to be not only an improvement of material living conditions, but also as much freedom as possible; and that is why our position of rejecting oppression and the absence of freedom must be clear in every case. Thus the Soviet model does not serve our purpose because it does not represent the socialism that we want and desire in freedom.



I believe that the concept of proletarian dictatorship is outmoded, inasmuch as it does not reflect the type of government which we consider necessary (it would be appropriate to read the book "Eurocomunismo y Estado" [Eurocommunism and Government] by S. Carrillo a second time, since it would clear up some of our doubts in this regard). We have a pluralistic and not a single-party concept of government, thus an "ideological" government that destroys freedom of thought and freedom of assembly, in short an authoritarian government, must be vigorously rejected.

Sociologically, there is very little difference between two totalitarian systems such as fascism and Stalinism. Both implement their political concepts through the systematic use of political terrorism. In both cases, we note that there is absolute authority, total control over both civilian society and the private lives of citizens.

And if we have always condemned and fought against fascism, will we now bless and approve a totalitarian regime such as the USSR's just because it is led by a party which defines itself as communist?

Comrades, "clothes do not make the man," thus no one should be shocked when we recommend rejection of Soviet-type socialism. As Comrade Azcarate said, "whether or not we call it socialism is purely a question of semantics." What we must clarify and understand if that is possible once and for all, is what has thus far been called "real socialism" does not correspond to our idea of socialism.

Until now, we have more or less said what we do not want, what we do not want to be, but then what is our ideal? I ask myself this question and I must admit that we have a much better idea, at least I do, of what we don't want to be than of what we do want to be.

Marx himself devoted the bulk of his work "Capital" to analyzing capitalism and only a few pages to defining communism.

We have not said nearly enough when we define communism as merely a change in economic structures and fail to say that it must also be a change in people's lives. Now that our party is 60 years old, we can state that there will be no socialism without both a change in thinking and a change in structures.

Today we want to achieve socialism in order to live free; collective wealth is of no use to us if there is no freedom of expression, freedom to demonstrate, the right to strike ... we want to achieve socialism, but a free socialism in which mankind can reach complete fulfillment by establishing new relationships among people the world over and by forming a more just, egalitarian and fraternal society in which we can live completely free and fulfilled.

And we will achieve this by strengthening social and political freedoms as much as possible and by combining representative democracy with direct democracy in companies, jobs, towns and neighborhoods.

We have to make sure that the democracy of the vast majority becomes the revolution of the vast majority more and more. We will achieve this by understanding once and



for all that our path to socialism must necessarily be based on our national realities, on our own particular features. We will achieve that new life through a gradual, peaceful, perhaps slow, but irreversible transition.

I believe that it is only in this way that we can achieve a new model of production and a higher social structure, which is socialism, and still beyond that, communism.

#### Deficiencies of PCE

Madrid NUESTRA BANDERA in Spanish Jul 81 p 41

[Article by Victor Diaz-Cardiel]

[Text] With regard to the party's inadequacies and mistakes during this--transition --period, the proposed platform states on page 25: "We have not given the necessary attention to the tasks of building the party that we need." We have talked repeatedly about the so-called objective causes and their effect within the party. Many of those objective causes definitely lie in the nature of the political transition itself: we conditionally endorsed the Law of Political Reform; there was no split, but rather a reform dominated by the right; the left was not asked to form a provisional government; there was the delay/achievement of the party's legalization and the editorial by the army's High General Staff.

We have participated in two general elections with the known results, as well as in some municipal elections and the nationality elections and in the referendums on the constitution and Andalucia. Communist members of the Union of Workers Commissions have also participated in two trade union elections.

The Moncloa Accords, on the other hand, were a time of tough confrontation within the party between those who, on the one hand and so to speak, were in favor of the accords to an extreme degree, i.e., they believed that the accords would be implemented as a result of the fact, a significant fact, of their political wisdom alone, and on the other hand, those who had serious doubts about their implementation.

There was the consensus policy, which was actually not the same as the democratic consolidation policy and which theoretically had no reason to be depoliticized, but which was implemented in such a way that, by playing both ends against the middle, by being vague and opaque, with a total lack of popular participation and of the party itself, it depoliticized, so to speak, our own organization. As a result, the opinion became widespread that the leadership was trying to solve everything by scheming and calculating and this contributed to the "loss" of contact with the rank and file and with grass-roots struggles, which weakened the party.

The 10th Congress has been held and the period of Leninism has ended.

This enormous accumulation of objective problems and the lack of a patient and systematic resolution of each and every one of these issues, on one hand, and the desire to get ahead of the game, i.e., to do in 4 years what others have taken 20 to achieve, I suppose could be and actually are the reasons for the initial disenchantment and subsequent lack of interest, disillusionment and resignation

of very many of our comrades. But many other causes of this deep-seated anxiety over the party's serious deterioration can be explained by facts such as: the development of a kind of struggle within the party itself, beyond any political or ideological position and having nothing to do with the party itself. This is quite simply a struggle for power, however small it may be: for the public offices of mayor, alderman, county councilman or for a seat in parliament or for this or that party leadership position.

All of these problems began to emerge particularly with the beginning of the political transition, with the beginning of our operation as a legal party.

At the time that these problems began to emerge, a different kind of political operation was "beginning," consisting of making devious accusations of a supposed lack of identification with the party's policy (for example: in the case of the debates on the Moncloa Accords) for the simple purpose of replacing this or that party official with another who was more in tune.

Finally, in contrast to the "old vices" of inflexibility, unshakable faith, political hypocrisy and dishonesty, there are the emerging "new vices" of careerism, status-seeking and unrestrained, shameless factionalism.

The unrest between professionals and intellectuals, which has not yet been given sufficient attention, is likewise starting to erupt, so to speak. Some eminent party leaders have said publicly ... that this is an invention of the intellectuals. (How good it would be for some leaders to reread their own public statements and their articles from a certain period.)

The gulf between the leadership and the rank and file is definitely becoming obvious and has certainly not been given very much consideration. Other phenomena, such as the preponderance of voterism, clientelism, etc., within the party are even being theorized.

At the same time, we cannot overlook the fact that the systematic training and promotion of cadres has been almost totally impromptu all through these transition years and that the party's internal tasks have been performed on a strictly voluntary basis, which partly explains why a campaign to increase the party's membership-- in 1980, in connection with the celebration of the party's 60th anniversary-- became known as a nonmembership campaign. One eminent leader said that well, it was because it was not the best time for obtaining new members.

We repeat: do these and many other factors explain the alienation and withdrawal of hundreds of members from the party and the irritation, disappointment, discouragement, disillusionment and demoralization of others?

Will these problems be resolved after the harsh blow suffered by democracy on 23 February, 23 March and the events in Almeria?

## Youth of PCE

Madrid NUESTRA BANDERA in Spanish Jul 81 p 42

[Article by Jose M. Angel]

[Text] If we read the platform of the 10th Congress carefully, we will obviously note the total absence of the topic of problems of youth, as there is not the slightest reference to the many questions currently being raised by young people today.

It is strange to note the total absence of this issue, when the membership of young people in the party has declined considerably of late. This drop in membership is the most tangible evidence of the total lack of a program which responds to the needs of young people, causing them to flee (not knowing what else to do) from the spinelessness or apathy surrounding them.

With such an alternative program, the party must avoid young people's disillusionment with the political class.

This means that the party must provide a clear and realistic alternative to the issue with which young people are concerned: student problems, legalization of harmless drugs, decriminalization of abortion, ecology, sports, culture, unemployment (work is one of the basic means of their integration and participation in building a democratic society). The fact that there are not any specific party problems as yet must be recognized in the party's platform, since it represents the policy that the party will implement in the future.

This response to youth must be clear and convincing, dispensing once and for all with the moralistic and paternalistic attitudes which still exist among some comrades, which makes young people feel ill at ease and thus distant within the party.

We therefore need a comprehensive debate within the party on the policy to be followed concerning youth and to make sure that these young people, who live and work together with other communists, find in us the necessary catalyst and stimulus for responding to their needs.

The power of young people, who hope to hear the response to their problems in our voices, is great; thus this is not the time to disappoint them.

## Party Professionals

Madrid NUESTRA BANDERA in Spanish Jul 81 pp 42-43

[Article by Francisco Garcia Sanchez]

[Text] One of the harshest criticisms of the party's leadership is that it has not dealt with all of the complex problems of professionals. As a professional myself, I partly share and endorse such criticism, but not totally, since that would be very unrealistic in this case.

It cannot be said without embarrassment that the party's leadership has been directly responsible, due to a lack of understanding, for the withdrawal of professionals from the party. But that is a far cry from the absurd claim that it has eliminated them (and this is what is being said in the bourgeois press and by some Communist Party factions) for fear of their possible criticism. Similarly, it cannot be said that professionals constantly tried to apply pressure to obtain positions of leadership within the party and withdrew from the party when unable to do so.

We have to get used to the fact that there is no black or white in politics nowadays, but rather an enormous range of tonalities which must be taken into consideration when making political analyses. Matters cannot be polarized by simplifying the debate and reducing it to just a Manichean discussion.

In my opinion, if there is anything clear in our Eurocommunist plan, it is the necessary participation of professionals and intellectuals in that plan and the entire party has repeatedly demonstrated this, and I emphasize "the entire party." Now that we hold power in quite a few municipal councils, or rather share that power with the PSOE [Spanish Socialist Workers Party], such participation is more necessary than ever and could even be termed essential. Not just as council members, but also as partners in carrying out that abstruse work which is almost inapparent in the various Worker Commissions and Councils for Participation, but which is almost, if not more, as important as the public actions themselves of the mayor or council members. This is an area of activity that many professionals neglect. And it is in this specific area of work, and I know this from my own experience, in which the absence of participation by many professionals and intellectuals, who are now waving the banner of democracy and party participation, has been conspicuous.

I do not believe that such participation will be achieved by reestablishing groups of professionals, something which has been done as a substitute for not knowing what else to do to handle this serious problem and to get out of a difficult situation, yielding to the pressure of "either groups of professionals or else" we will leave.

In my opinion, this is an issue that has not received sufficient consideration in the platform. I believe that this issue must be discussed openly, without applying pressure or irritating each other and, above all, without ascribing any presumed blame to each other in the present situation of professionals and intellectuals. Now is the time, in the 10th PCE Congress.

We professionals must learn several things in the future. We must combine participation in territorial groups, which is the proper place for ideological and practical political debate, participation in various professional associations, trade union organizations or groups vindicating workers' rights, and technical consultation at the request of the party's leadership. We are faced with an historic challenge and dealing with these issues is not simple, but it is essential, whether we like it or not, and we are therefore obliged to fight for a more just society in order to achieve our revolutionary utopia.

But please let us dispense with internal conspiracies which lead to nothing positive and instead devote some attention to the disappearance of the PCE or at least to its poor reputation among the masses.

This is an issue which professional and intellectual groups must restate for themselves once and for all, in order to then be able to provide organizational alternatives for resolving the current "impasse," alternatives which do not mean a step backward, which is what has happened, but rather the transformation of that setback into a qualitative leap forward.

This problem has received very superficial consideration in the proposed platform of the 10th PCE Congress. It has not been analyzed thoroughly enough and the most dangerous thing is that solutions have neither been anticipated nor proposed, perhaps because our Central Committee has none or perhaps, to avoid arousing suspicion, it hopes that such alternatives will be proposed by professionals or intellectuals themselves. In any case, no short-term solution is in sight, when in reality one does exist. But in order to find such a solution, a debate must be opened in which rational and, above all, forward-looking solutions are proposed, ones that are progressive and not regressive. At least I hope so.

#### Party or Discussion Group

Madrid NUESTRA BANDERA in Spanish Jul 81 p 44

[Article by Abelardo Gimeno Lara]

[Text] I want to reply to an article by our comrade, Representative Pilar Brabo, entitled "Eurocommunism and the party" (in lower case), published in issue 106 of NUESTRA BANDERA.

Let us examine the essence of Pilar Brabo's (whom we shall hereafter refer to as P.B.) opinion of the party. According to P.B., the two basic, permanent features of the party are: "The theory and indomitable will of making revolution."

It has not occurred to P.B. that theory is in turn a consequence of revolutionary practice and that the worker movement has learned and is still learning in its heart, through just such long, hard practice, that revolutionary will and theory are not enough, that a great deal of organization is necessary and that without it we would be defenseless, doomed to helplessness and failure.

Types of organization can change according to the changes which occur in society, but party organization is and will continue to be a basic, essential feature as long as we live in a capitalistic society. P.B. considers organization to be something secondary.

But some of us might object to P.B.'s opinion that the party is "an instrument for making revolution." That is true, but that is not saying a great deal, since there are many instruments and she does not tell us whether she considers it important or necessary. She calls it an instrument. Period.

Nor does she tell us what kind of an instrument is involved, but since she has already implied that organization is not essential, we may assume that it is "something" which she calls a party, but which seems more like a club for political discussion or forming opinions. We would have appreciated more clarity, since the expression has become widespread in Valencia that "the party is not an end in



itself," which may be true, but this expression is used deliberately to reduce and even to deny the role of the party.

P.B. wants changes in the party, as we do, because it is not immutable or eternal. The party needs to change and the day will even come when it will disappear. But that is another matter. What must be changed in the party at this time? Its essence?

Of course not, because our final goals have not changed and the essence of society is still as capitalistic as it was in the time of Lenin.

But significant changes have taken place in the world and the party must adapt to these new realities. We need a party that can implement Eurocommunist policy, a profoundly democratic party of the masses, more democratic than any other political party. But we will not stop requiring everyone to comply with decisions approved by the majority after a broad and open debate, because that is a profoundly democratic requirement and, above all, because conscious discipline, which assures that such decisions will be implemented, is an integral part of the party's essence. Abandoning that would mean abandoning the party, even though we would retain its name.

P.B. uses the term "democratic centralism," but nothing else. I would say that democratic centralism requires a great deal of debate, but debate has its limits, among other reasons because arguments are eventually exhausted and then we start going around in circles, and above all, because people do not debate for the sake of debate, but for action. Of these two terms, the most important one is action and debate will be positive insofar as it encourages and stimulates action. But P.B. reverses the terms. She does not consider that the term debate is a dialectical entity and modifies it. She is therefore in favor of an endless debate, regardless of its possible effects on party unity and action. She tells us that the minority may be right and that debate will help to rectify mistakes.

First of all, it is assuming too much that the minority may be right, and if it were not, which is more likely, a prolongation of such debate would make no sense and would instead spread doubt, would be demoralizing, would create tensions among members and would hinder party action. That is what is happening now. And assuming that the minority may be right, matters would not change too much. There would not be a debate, but the practice of saying that we were wrong. It would not be debate, but action that would tell us whether or not we were wrong.

P.B. wants to reelect the leaders in office. She sets only one condition for this: "Make the party homogeneous." P.B. describes this to us in an oversimplified way, thus let us ask, on what bases? In our opinion, the party's homogeneity must be achieved with regard to policy, through debate and practice. P.B. considers it sufficient to achieve such homogeneity with regard to something more general and abstract: "The meaning of Eurocommunism, the revolution of the majority."

The term Eurocommunism is too broad, since it covers different realities with common features, which therefore require different Eurocommunist policies. The party's policy is the one that has to be established here and now. By this I mean that we can be or consider ourselves to be Eurocommunists and still disagree about what has to be done in Valencia at the present time. And if that is the case, we will not manage to achieve our policy.

## THREE MILITARY PROMOTIONS ANNOUNCED

Madrid EL PAIS in Spanish 21 Aug 81 p 9

[Excerpts] At its meeting yesterday the Council of Ministers made the following appointments: Maj Gen Manuel Saavedra Palmeiro was promoted to lieutenant general of the Land Army and also appointed captain general of Military Region II, headquartered in Seville; Maj Gen Alvaro Lacalle Leloup was promoted to lieutenant general of the Land Army and named captain general of Military Region VII, headquartered in Valladolid, and Maj Gen Luis Caruana y Gomez de Barreda was promoted to lieutenant general of the Land Army. The three new lieutenant generals were later received by Prime Minister Calvo Sotelo at Moncloa Palace..

The Council of Ministers also made these appointments: Jose Enrique Martinez Genique, secretary of state for consumption; Domingo Garcia Sabell, government delegate in Galicia; Antonio Roig Muntaner, director general of science policy in the Ministry of Education and Science, and Javier de Cardenas y Chavarri, chairman of the School Construction, Facilities and Equipment Board in the Ministry of Education and Science.

## Biographies

In its first appointments since the unsuccessful coup d'etat on 23 February, the government yesterday promoted the top three major generals on the seniority roster to lieutenant generals. Luis Caruana, who has the longest time of service, has earned the three four-pointed stars but has not been assigned a post. Manuel Saavedra and Alvaro Leloup have been entrusted with the captaincies general of military regions II and VII, with headquarters in Seville and Valladolid, respectively.

Lt Gen Alvaro Lacalle Leloup was born in Haro in October 1918 and joined the service in 1937. He has taught at the Academy of Transformation, which is no longer in existence, the Artillery Application School and Superior Air Force School. A staff officer, he was promoted to brigade general in 1974 and to major general in 1978. He has served as artillery commander in the Canaries, commander of logistics in the Central Staff's Organization and Campaign Directorate, commander of Navarre Highland Division 6 and military governor of Pamplona. He was currently serving as secretary general of economic affairs in the Defense Ministry. He has a solid background in economics and headed up the General Directorate of the Treasury.

Gen Manuel Saavedra Palmeiro was born in Badajoz in August 1918 and entered the service on 18 June 1936. He is a staff officer and has held various posts in the Brunete I Armored Division, garrisoned in Madrid, when it was headed by Lt Gen Milans del Bosch, who is now on trial. Specifically, he served as commander of Saboya Regiment 6 and general in chief of Mechanized Infantry Brigade XI. He was currently serving as commander of Guzman el Bueno Mechanized Division 2, garrisoned in western Andalusia. A strict and demanding military officer, he was challenged as a jury member in the court-martial of the officers belonging to the UMD [Military Democratic Union] because of certain statements he made against the commanders and officers who were standing trial. The challenge was accepted, and he did not sit on the court-martial.

He is close to Lt Gen Jose Vega Rodriguez, who placed the general's sash on him. He was assigned to the Army staff in the operations division when Vega held this command, from which he resigned because of differences with the then defense minister, Lt Gen Manuel Gutierrez Mellado. While in his latest post he maintained cordial relations with all police forces.

Gen Luis Caruana y Gomez de Barreda was born in Valencia on 25 December 1917. He entered the service on 8 February 1930. Most of his posts were at garrisons in Valencia. He was promoted to major general in May 1978 and named military governor of Valencia in July of the same year. His promotion has been strongly questioned by various political circles because of his conduct on the night of the attempted coup on 23 February, as he remained in the office of the province's civilian governor while Gen Milans del Bosch seized total power.

8743

CSO: 3110/137

## NEW ARTICULATED TRACK VEHICLE INTRODUCED IN ARMED FORCES

Frankfurt/Main SOLDAT UND TECHNIK in German Vol 24 No 7, Jul 81 p 394

['Information--News' feature report: "Articulated Track Vehicle, Series Bv 206"]

[Text] An articulated track vehicle of the BV 206 series introduces the final phase of succession of generations of cross-country vehicles in the Swedish defense forces that is far-reaching in its technical and performance improvements. Distinguishing features of this new generation are the extreme traction capability on land and in water, low maintenance costs and high availability. The BV 206 track vehicle is made in a basic version that can carry a 2-ton load at a speed of up to 55 km/h. There are also radio and anti-tank versions. The track vehicles, that are now being delivered to the Swedish Army at the rate of about 100 per month, are useful primarily for better troop mobility on roads and across country. The BV 206 replaces the earlier BV 202 series. Compared to the earlier version, the new vehicle offers higher performance such as 150 percent greater load capacity (2,000 kg or 17 persons), 50 percent higher speed (up to 55 km/h), substantially simpler use and an improved interior. The new BV 206 comes with automatic transmission and power steering, leaf-spring suspension and a soundproof laminated plastic body. The reinforced rubber drive tracks have individual wheel drive and the forward and rear vehicle sections are articulated. In addition to the basic version that among others every Swedish infantry brigade will have, there is the BV 2061 radio version for battalion and artillery use. For better cross-country ability with armor-piercing projectiles and robot armament, the BV 2062 anti-tank version is being built for a 9-cm recoilless gun and the BV 2063 anti-tank robot version as well. Our photograph [not reproduced] shows the vehicle during trials in difficult terrain.

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## ESTABLISHMENT OF UNIVERSITY, FUNDS NEEDED

Nicosia THE CYPRUS WEEKLY in English 14-27 Aug 81 p 3

/Text/

A university in Cyprus would cost up to £14 million to build but several international organisations or friendly countries might be willing to help, a senior Education Ministry official has said.

Mr Panayiotis Persianis, a literature inspector, said it was estimated that capital investment on buildings and

equipment would reach between £12.5 m. and £14 m.

The cost of running the university could be £7 m. a year, with fees meeting about half that amount (£3.3 m.).

He estimated that in the first year of its operation, the university could take 500 students. When fully developed, it would have 6,000 students, of whom one fifth would be from overseas.

## Feasible

"With suitable preparation, it should be possible to have the university financed by international organisations and friendly countries, and overseas Cypriots might also help to meet the cost," Mr Persianis said.

The government started studying the possibility of setting up a university in the island in 1976. Foreign experts, including a UNESCO mission, found that a Cyprus university was both feasible and necessary.

A formal decision to go ahead with the idea was taken by the Council of Ministers in December 1978. Early this year, the House of Representatives expressed concern about the delay and asked the government to give the matter top priority.

Mr Persianis, who was addressing the recent conference of overseas Cypriot scientists and intellectuals

said a ministerial committee had recently approved a report giving a broad outline of the future set up of the university.

It should be a "presidential" type, with a President and Board for administrative affairs and a Dean and Senate for academic matters. Academic work would be divided into semesters and be based on credit units.



The university should basically serve the educational and cultural needs of the communities of Cyprus and in the first phase should have a School of Science and Technology, a School of Social and Economic Sciences, and a School of Literature and Historical Studies.

## Research

Another speaker at the conference, Mr Theofilos Kakoullos (a Cypriot who has taught in American and Greek universities for nearly 20 years) urged that in addition, the Cyprus University could have an Institute for Advanced Research to cover special fields such as Cyprus archaeology, ecology, oceanology, Near and Middle East. Such an institute could have eminent foreign professors visiting it for some period of time, and could be

financed from such bodies as the EEC, UNESCO, and the Ford Foundation.

He also suggested that the School of Science and Technology, should include a computer and business management department.

## Saving

Mr Kakoullos said out of a total of about 10,000 Cypriot students, about 60 % were in Greece and 20 % in British universities.

He believed a Cyprus university would attract 5-6,000 students which should be considered an adequate number for an establishment of its size.

He also expressed the view that many Cypriot professors now teaching in higher institutions in Britain, the United States and Greece would be willing to come here to work.

Professor Kakoullos said Cyprus would save up to £5 m. a year on foreign exchange spent by Cypriot students abroad; it would also earn foreign exchange since no doubt a Cyprus university would attract students from neighbouring Arab countries, the Middle East, Africa and even Greece.

## Languages

He said this raised the question of whether English should also be used for teaching, at least with regard to foreign students and for certain fields of study. This would facilitate the visit of distinguished professors from overseas.

(The House of Representatives resolution early this year said the basic languages to be used at a Cyprus university should be Greek, Turkish and English, and that the institution should accept students "from all over the world, especially our region").

## Settlement

Professor Kakoulos, who teaches statistics at Athens University, said the functioning of a Cyprus university was not an easy matter especially when it had to be decided what form or character it should take, and in view of the need to cover the Turkish community also.

In the event of a political settlement, the matter could be resolved through the establishment of a special Turkish language department, dealing also with Islamic religion, he said.

But there should be one Cyprus University, catering for the needs of the entire population, irrespective of national, racial or religious origin, he said.

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